



新天绿色能源股份有限公司

China Suntien Green Energy Corporation Limited

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code : 00956.HK 600956.SH



2025

Sustainability Report

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report is a true reflection of how China Suntien Green Energy Corporation Limited actively fulfils its economic, social, and environmental responsibilities to achieve comprehensive, coordinated, and sustainable development. The forward-looking descriptions in this report, such as business plans, development strategies, and climate scenario analyses, do not constitute a substantive commitment from the Company to its investors.

SCOPE

Organisational Scope: This report covers the headquarters and subordinate institutions of China Suntien Green Energy Corporation Limited.

Timeframe: 1 January 2025 to 31 December 2025. Some content may extend beyond this timeframe.

Publication Cycle: This report is published on an annual basis along with the publication of the Company's annual report.

REPORTING STANDARDS

This report has been prepared in accordance with *Appendix C2 – Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities* on The Stock Exchange of Hong Kong Limited; the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies — Sustainability Report (Trial)*; *IFRS S2 Climate-related Disclosures*; the *Global Reporting Initiative (GRI) Standards*; and the *United Nations Sustainable Development Goals (SDGs)*.

EXPLANATIONS ON DATA

The financial data in this report are sourced from the 2025 annual financial report. Other data are derived from the Company's internal management systems and statistics, including certain historical data. Unless otherwise specified, all monetary amounts in this report are denominated in Renminbi (RMB).

REPORTING FORM

This report is available in both printed and online formats. To download the report, please visit www.suntien.com. For a printed copy, please call 0311-85278106.

EXPLANATIONS ON ABBREVIATED NAMES

For ease of expression, terms such as 'China Suntien Green Energy Corporation Limited', 'Suntien', 'the Company', and 'we' are used in this report. Key subsidiaries are abbreviated as follows: Hebei Natural Gas Co., Ltd. is referred to as 'Hebei Natural Gas'; HECIC New Energy Co., Ltd. is referred to as 'HECIC New Energy'; Caofeidian Suntien Liquefied Natural Gas Co., Ltd. is referred to as 'Caofeidian Company'; Suntien Offshore Wind Power (Qinhuangdao) Co., Ltd. is referred to as 'Qinhuangdao Offshore Wind'; Suntien Wisdom Energy (QinhuangdaoFuning) Co., Ltd. is referred to as 'SWEF'; Hebei Suntien Kechuang New Energy Technology Co., Ltd. is referred to as 'XTKC'; and China Suntien Green Energy (Hong Kong) Company Limited is referred to as 'Hong Kong Company'.

FORWARD-LOOKING STATEMENT

This report contains forward-looking analyses and statements, including but not limited to business plans, development strategies, underlying assumptions, preconditions, climate change risk and opportunity assessment ratings, and scenario analysis conclusions, all of which fall within the category of forward-looking statements. Scenario analysis, in particular, involves numerous assumptions and uncertainties. Considering the influence of external variable factors, the actual future development outcomes or trends of matters mentioned in this report may differ from the forecasts. Except as otherwise required by applicable laws, Suntien is under no obligation to update any forward-looking statement following its release due to subsequent events, changing circumstances, or unforeseen occurrences.

Under no circumstances shall the data and related opinions provided by Suntien constitute investment advice, and Suntien shall not be liable for any consequences arising from the use of the content of this report. Any written or oral promise to share investment returns or bear investment losses is invalid. For detailed information on the Company's financial results and operations, please refer to the annual reports published by the Company.

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CHAIRMAN'S STATEMENT

The Year 2025 was a pivotal year for Suntien, serving as a bridge between the past and the future as we align with the structural optimisation of the energy mix and advance high-quality development. In the face of a complex and volatile external environment, the Company has remained true to its founding mission of developing green energy, continuing to deepen its focus on the new energy and natural gas business segments while coordinating the optimisation of its industrial layout and the transition of its growth drivers. Through a more robust and sustainable development approach, Suntien consistently strengthens the foundation of its core clean energy business, contributing to the nation's energy transition and the green development of the economy and society.

Currently, the global energy transition continues to deepen, with addressing climate change and ensuring energy security becoming common challenges for the international community, while the role of renewable and clean energy in the global energy system continues to grow. The proportion of renewable energy sources like wind power in the electricity system is steadily increasing, and natural gas continues to play a transitional supporting role in optimising the energy structure and securing public energy supply. The energy industry is transitioning towards greater efficiency, stability, and sustainability, presenting both opportunities and challenges for the sector.

Against this global industrial backdrop, in 2025, the Company remained focused on its two main businesses of new energy and natural gas, aligning with trends in energy structure adjustment and industry transformation, and continued to optimise its industrial layout, enhance asset operation efficiency and development resilience, and promote the steady operation of its main businesses by concentrating on the development of high-quality wind power resources and the improvement of the natural gas industry chain. In 2025, the Company achieved a total profit of RMB 2.543 billion, with its overall operational quality and efficiency continuing to improve.

In terms of corporate governance, Suntien continuously improves its corporate governance structure by standardising its governance framework and operational mechanisms, strengthening its decision-making and oversight functions, and reinforcing the foundations for compliant and stable operations, all while deeply integrating the concept of sustainable development into its corporate strategy and operational management to provide a solid institutional guarantee for the Company's long-term high-quality development.

In 2025

RMB **2.543** billion

Total Profit of the Company Achieved

In terms of green operations, guided by the national dual carbon goals, Suntien integrates environmental responsibility throughout its governance and operational chain, continuously enhances its environmental management system, and improves resource utilisation efficiency and climate resilience. In 2025, the Company promoted energy conservation and efficiency through technological innovation and low-carbon operations, while comprehensively implementing environmental protection, waste management, and biodiversity conservation work based on a sound ecological and environmental protection system, thereby continually strengthening its green operational capabilities.

In terms of energy supply, the Company steadily advanced the planning and operation of wind power projects, covering multiple key regions and actively exploring overseas investment opportunities; at the same time, it improved its natural gas transmission and distribution system and industry chain layout, optimising the end-user market to support regional energy security. In 2025, Suntien's wind power generation reached 14.85 billion kilowatt-hours, and its natural gas transportation and sales volume reached 5.255 billion cubic meters, with clean energy supply capacity steadily improving.

In terms of scientific and technological innovation, Suntien uses this as a core driving force, improving its research and development system oriented towards new energy and low-carbon transition, and accelerating the pace of digital transformation. In 2025, the Company released three group standards, and two of its technologies achieved an internationally leading level; by the end of 2025, the number of valid patents reached 518, and it continued to advance the construction of 'Digital Suntien', using digital and intelligent means to enhance operational efficiency and management levels, providing strong support for the high-quality development of the clean energy industry.

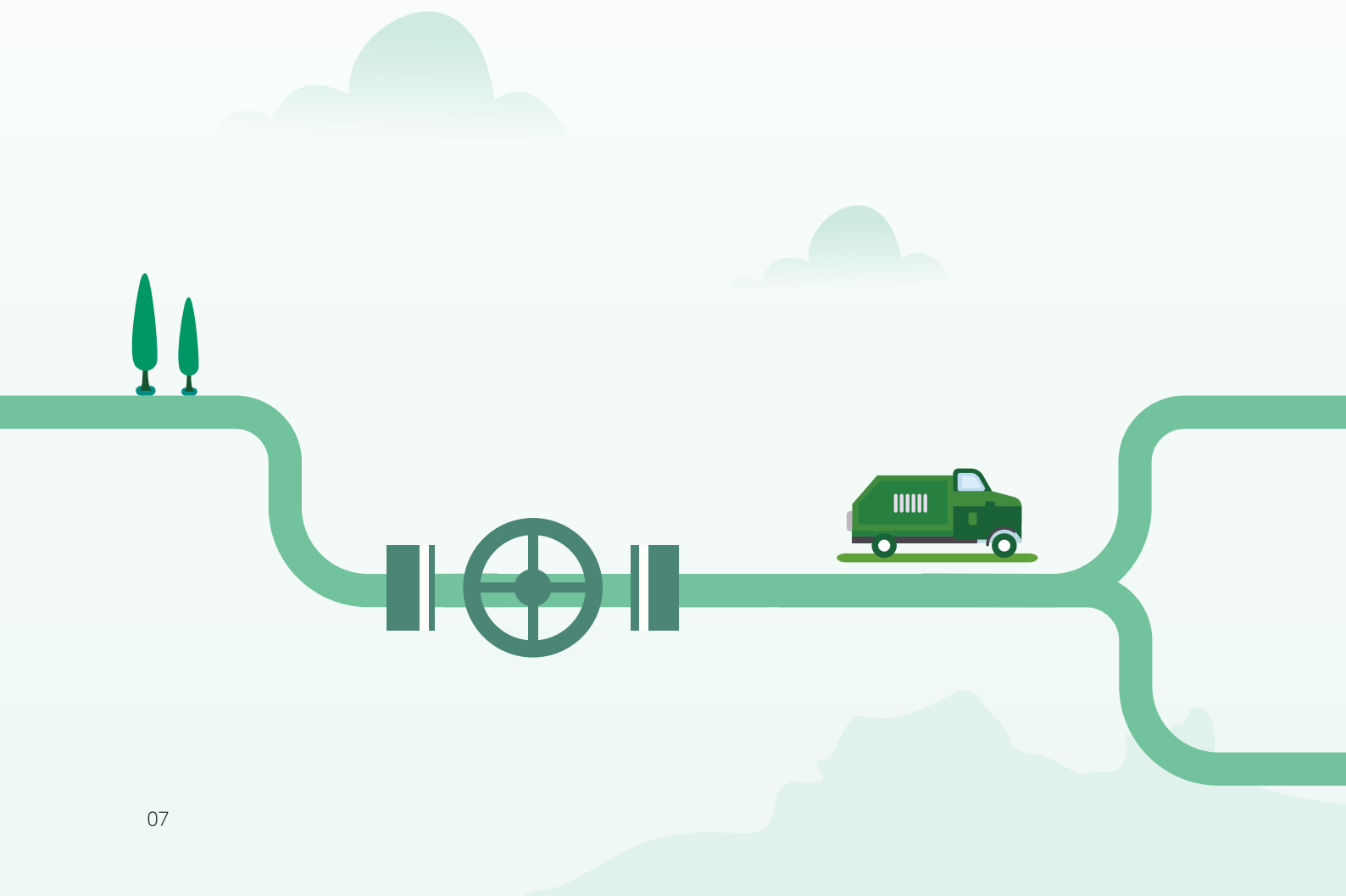
In terms of creating shared value, Suntien has always adhered to the philosophy of being 'people-oriented, harmonious, and win-win', focusing on the growth and well-being of its employees and fostering a diverse, inclusive, and fair working environment. At the same time, the Company actively fulfils its social responsibilities by participating in rural revitalisation, environmental protection, and public welfare initiatives, giving back to society through practical actions and creating sustainable value together with its stakeholders.

Looking to the future, Suntien will adhere to sustainable development as its core concept, deeply integrating ESG into its corporate strategy and operational decisions to continuously enhance its long-term value and resilience. The Company will focus on its core clean energy business and low-carbon development direction, strengthen its governance capabilities and green, low-carbon development capabilities, and uphold a people-oriented, cooperative, and win-win philosophy, working with all parties to promote the high-quality development of the energy industry and contribute to the sustainable development of the nation and society.

Board ESG Statement

In compliance with policy requirements such as the *Environmental, Social and Governance Reporting Code* of The Stock Exchange of Hong Kong Limited and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, Suntien actively promotes the organic integration of ESG concepts with the Company's development strategy, business decisions, and production operations, while continuously improving the Company's environmental, social, and governance (ESG) system.

Suntien has established a three-level ESG governance structure, which includes the Board of Directors, to ensure the effective implementation of ESG management and social responsibility initiatives. As the highest body responsible for the Company's ESG matters, the Board of Directors is tasked with reviewing and deciding on ESG strategies, policies, objectives, risks, and related issues in response to changes in the internal and external environment, thereby ensuring the integration of ESG principles with the Company's strategy. Under the Board of Directors, the President's Office Meeting provides comprehensive coordination for the overall deployment and advancement of ESG matters, reviewing the Company's ESG strategy and objectives to ensure that its ESG management aligns with its corporate development direction.





The Company attaches great importance to ESG risk management, periodically identifying and analysing ESG risks and opportunities by considering macroeconomic policies, industry trends, the Company's strategic development plans, operational conditions, and stakeholder expectations. It conducts materiality assessments through various methods such as stakeholder surveys and expert evaluations to define material ESG issues, establish priority areas and management measures for ESG control, and formulate medium- and long-term objectives for ESG affairs. Furthermore, the Company regularly reviews and supervises the progress of its ESG work and continuously provides relevant training in specialised ESG knowledge or skills for the management team to ensure the effectiveness of its oversight and to consistently improve and enhance its ESG management standards.

This Report details the progress and performance of Suntien's ESG work in 2025 and was reviewed and approved by the Board of Directors on 25 March 2026. The Company's Board of Directors and all its directors guarantee that the content of this Report is free from any false records, misleading statements, or material omissions, and they assume individual and joint liability for the truthfulness, accuracy, and completeness of its contents.



About Suntien



Company Profile

Company Profile

China Suntien Green Energy Corporation Limited was established on 9 February 2010, initiated by its shareholders Hebei Construction & Investment Group Co., Ltd. (HECIC) and HECIC Water Investment Co., Ltd. On 13 October 2010, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange (H-share stock code: 00956). On 29 June 2020, the Company completed its main board listing on the Shanghai Stock Exchange (A shares stock code: 600956). The Company is a leading clean energy development and utilisation company in North China, operating two major business segments: wind power and natural gas.

Business scale

7,777.97 MW

Consolidated Installed
Capacity of Wind Power

8,245.97 MW

Management Capacity of
Wind Power

7,206.70 MW

Total Equity Installed Capacity
of Wind Power

14.85 Billion kWh

Wind Power Generation

5.255 Billion Cubic Meters

Natural Gas Transportation / Sales Volume



Wind Power

Natural Gas

Operating performance

RMB **19.831** Billion

Revenue

RMB **1.826** Billion

Net Profit Attributable to
Shareholders of the Listed
Company

RMB **25.518** Billion

Net Assets Attributable to
Shareholders of the Listed
Company

RMB **93.491** Billion

Total Assets

RMB **0.43** per Share

Basic Earnings per Share

RMB **1.495** Billion

Tax Contribution

BUSINESS DISTRIBUTION

Wind Power Business



The Company is engaged in the planning, development, and operation of wind farms and the sale of electricity, with wind power projects in regions such as Hebei, Shanxi, Xinjiang, Shandong, Yunnan, and Inner Mongolia. Based in Hebei, the Company invests in and develops wind power projects nationwide while actively seeking suitable overseas investment projects overseas. As of 31 December 2025, the Company’s wind power installed capacity under control was 7,777.97 MW, the managed installed capacity was 8,245.97 MW, and the equity installed capacity was 7,206.70 MW. In 2025, the Company’s wind power generation was 14.85 billion kilowatt hours, with utilisation hours reaching 2,236.

Northwest China

(Shaanxi, Ningxia, Xinjiang, Qinghai, Gansu)

331 MW

North China

(Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)

6,329.57 MW

Northeast China

(Liaoning, Jilin, Heilongjiang)

247 MW

East China

(Shanghai, Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Jiangxi, Taiwan)

370.6 MW

Southwest China

(Sichuan, Yunnan, Chongqing, Guizhou, Tibet)

193.6 MW

Central China

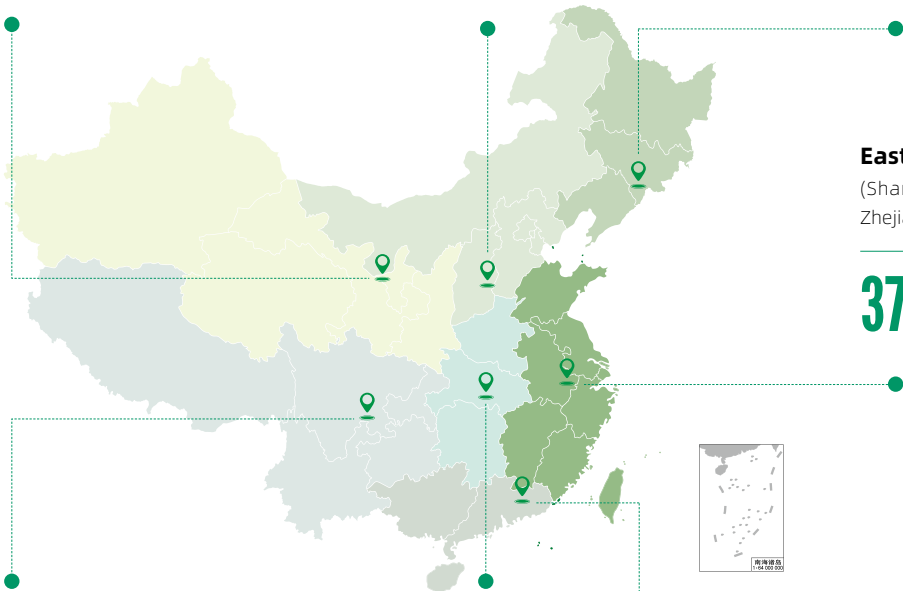
(Henan, Hubei, Hunan)

156.2 MW

South China

(Guangdong, Guangxi, Hainan, Hong Kong, Macau)

150 MW



Natural gas business



The Company operates natural gas receiving, transmission, and distribution facilities in Hebei Province and sells natural gas externally. As of 31 December 2025, the Company has 1 LNG receiving station, 11 long-distance natural gas pipelines, 22 high-pressure branch pipelines, 33 urban gas projects, 34 distribution stations, 19 gate stations, 5 CNG mother stations, 3 CNG refueling sub-stations, 3 LNG refueling stations, and 1 L-CNG co-construction station. In 2025, the Company's natural gas transportation / sales volume was 5.255 billion cubic meters, of which the sales volume was 4.771 billion cubic meters.

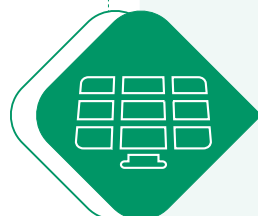
5.255 billion cubic meters

2025, the Company's natural gas transportation / sales volume was

4.771 billion cubic meters

of which the sales volume was

PV Business



By the end of 2025, the Company had added 158.93 MW of photovoltaic managed installed capacity, bringing the cumulative installed capacity under control to 424.79 MW and the cumulative managed installed capacity to 594.79 MW. The capacity of photovoltaic projects under construction is 10 MW. In line with the Company's business strategy adjustment to further focus on its core businesses and concentrate resources on the wind power and natural gas-related industries, the Company will no longer independently invest in and develop photovoltaic power generation business, except for equity investments in affiliated enterprises that must be retained. Therefore, the Company plans to gradually sell or transfer its existing controlling photovoltaic business interests after the projects are completed.

158.93 MW

By the end of 2025, the Company had added

424.79 MW

bringing the cumulative installed capacity under control to

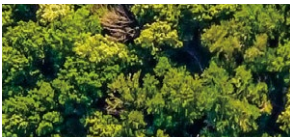
594.79 MW

the cumulative managed installed capacity to

10 MW

The capacity of photovoltaic projects under construction is

Sustainability Management

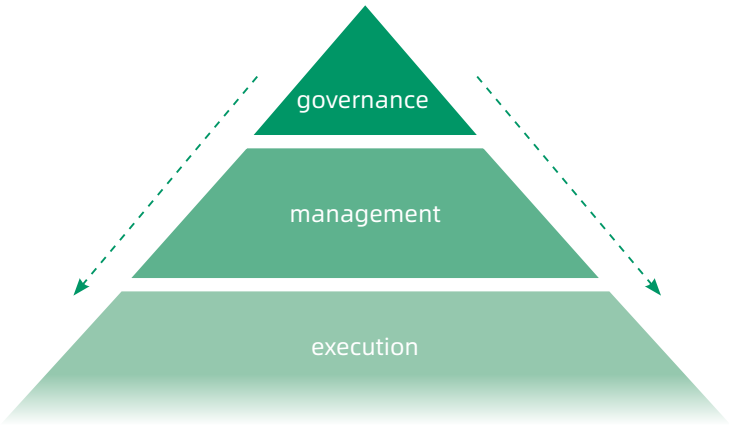


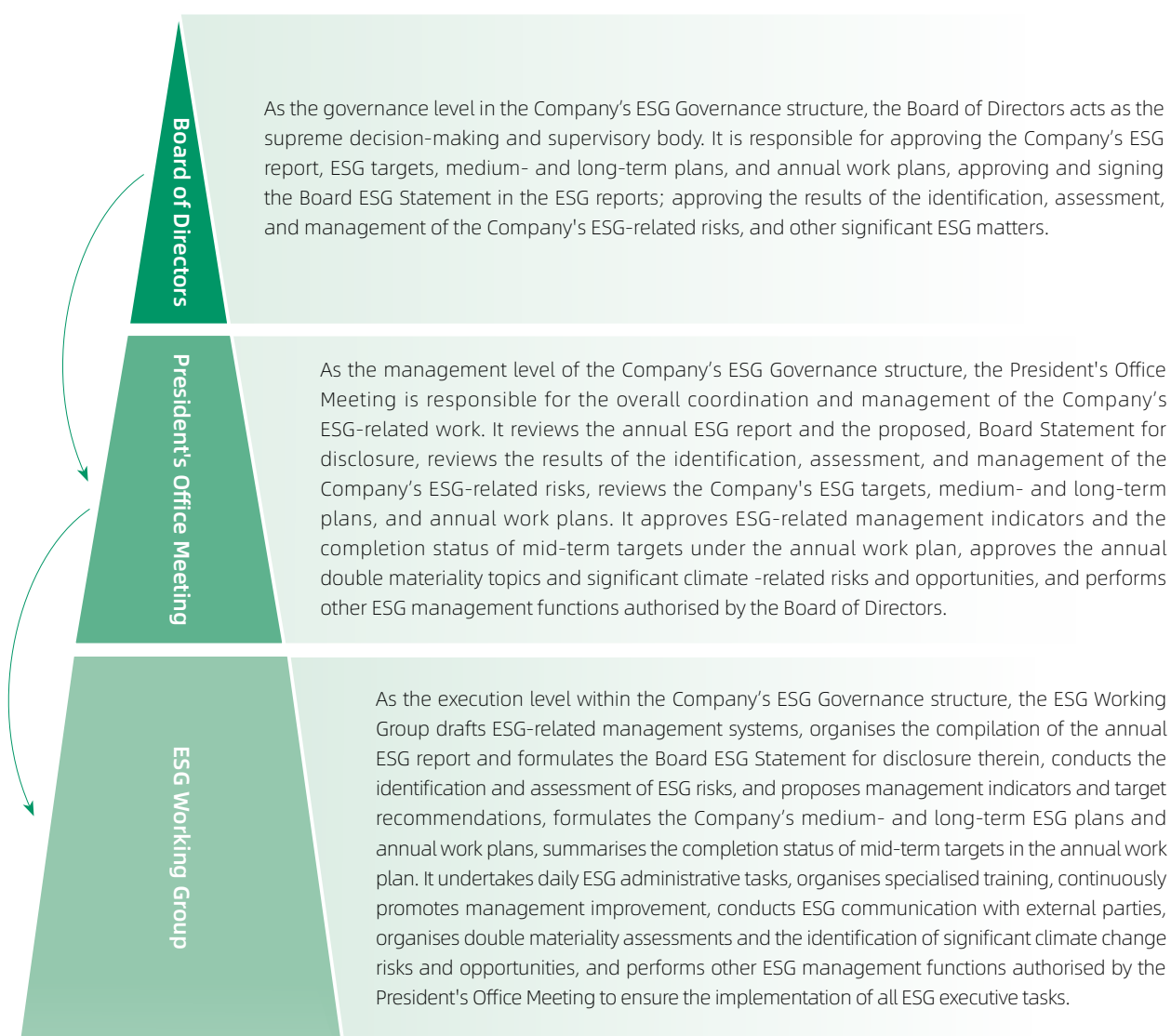
Suntien regards sustainable development as a key driver for creating long-term value. Focusing on Environmental, Social and Governance (ESG) matters, the Company continuously improves its ESG Governance system and coordinates the advancement of related action strategies and objectives. Grounded in its actual business operations, Suntien advances the institutionalised and standardized implementation of ESG practices, steadily enhances its internal ESG management capability, and proactively listens to and addresses stakeholder expectations. The Company is committed to achieving synergy between its stable business operations and social responsibilities.

ESG Management System

Suntien is committed to promoting sustainable development through its core business of green energy. The Company continues to cultivate its two main business segments, new energy and clean energy, optimizing its industrial layout and enhancing the quality and efficiency of its development to actively serve the national strategic goals of ‘Carbon Peaking’ and ‘Carbon Neutrality’. Guided by the development principle ‘We Output Clean Energy Only’, the Company is perfecting its sustainability management framework and systematically advancing its sustainability initiatives. Focusing on key issues such as climate change, ecological environmental protection, stakeholder communication, and ESG information disclosure, the Company continuously refines its management processes and promotes the implementation of relevant measures through green operations and management optimization, thereby comprehensively strengthening its integrated management capability in corporate governance, environmental, and social responsibility.

To strengthen organizational support for ESG management, Suntien has established the three-level ESG management structure of ‘governance-management-execution’, which features a complete framework, clear hierarchy, well-defined rights and responsibilities, and efficient operation. This structure clarifies the division of duties at each level and continuously refines its ESG management mechanism. On this foundation, the Company deeply integrates ESG principles into its development strategy and major decision-making processes, systematically identifies and assesses ESG-related risks and opportunities, and promotes the organic integration of ESG with business operations and management.





In 2025, by virtue of its outstanding performance in areas such as compliant governance, information disclosure, and addressing climate change, the Company's relevant practices continued to gain recognition from capital markets and regulatory authorities, and it was awarded the Excellent Practice Case for Addressing Climate Change in the 2025 List of Best Practices for Sustainable Development of Listed Companies by the China Association for Public Companies.

Stakeholder Communication

Suntien believes that effective stakeholder communication is a vital foundation for advancing the Company's sustainable development. By establishing regular and standardized communication mechanisms, the Company consistently collects, transmits, and provides feedback on internal and external information. We actively listen to and respond to the concerns and expectations of stakeholders, including shareholders, employees, customers, suppliers, government authorities, and communities. The Company continuously improves diverse communication channels, promotes stakeholder participation, and supports the scientificity and sustainability of the Company's major decision-making.

Overview of Stakeholder Communication channels

Stakeholder Type	Key Expectations	Key Response Measures	Key Communication Methods
Shareholders	• Sustainable and stable investment returns • Timely information disclosure • Compliant corporate operations	• Enhance business diversification • Establish a regular information disclosure • Improve the internal compliance system	• Annual reports and related announcements • Information dissemination channels such as roadshows
Employees	• A decent working environment • Broad career development opportunities • Comprehensive remuneration and benefits • A robust health and safety guarantee	• Improve internal management systems for employee recruitment, promotion, etc. • Enrich employee life • Provide diverse support for employees' work and life	• Internal website • WeChat official account
Suppliers	• Fair, just, and open procurement processes • Timely fulfilment of contractual obligations	• Ensure transparency in procurement processes, subject to internal and external supervision • Manage corporate cash flow reasonably to ensure timely payments	• Procurement and tender announcements on government websites • Corporate integrity reporting hotline
Users	• A stable and safe natural gas supply • Timely response to user requests • Improved service quality	• Establish a comprehensive safety inspection and response system • Improve customer complaint handling processes and establish a complaint accountability system • Develop a standardised service guidance manual	• Conduct community outreach on topics such as safe gas usage • Follow-up calls for User complaints • Conduct user satisfaction surveys

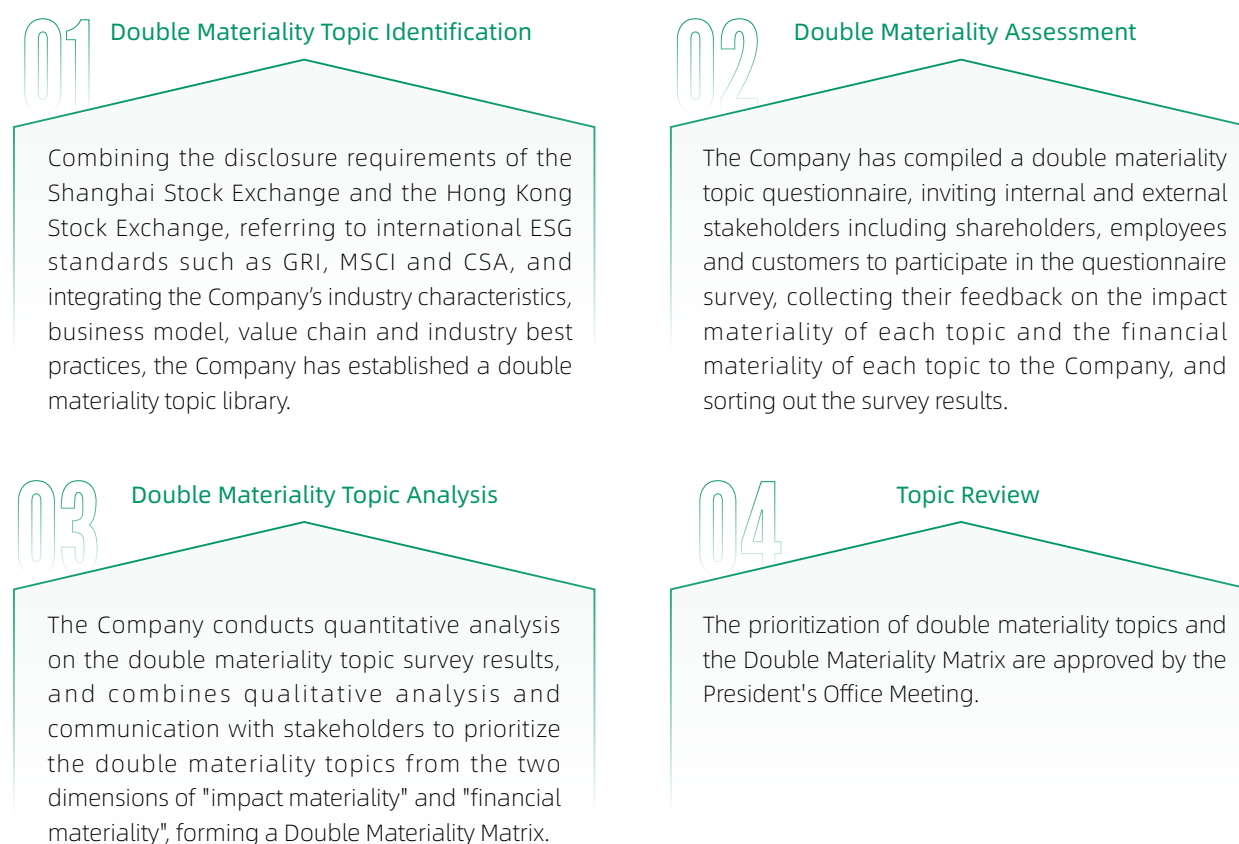


Stakeholder Type	Key Expectations	Key Response Measures	Key Communication Methods
Government	• Drive the development of local and surrounding industries • Compliant corporate operations	• Provide employment opportunities and contribute tax revenue in areas of operation • Cooperate with government inspections and improve the internal compliance inspection system • Ensure Compliance with All Laws and Regulations Concerning the Environment, Safety, and Integrity	• Participate in government meetings and conduct regular visits and exchanges • Accept supervision from government personnel
Community	• Contribute to community development • Participate in community activities and maintain good communication with the community	• Improve local infrastructure through actions such as road construction and power grid installation • Carry out designated assistance programmes to promote rural development • Maintain good communication with residents and herdsmen in the areas of operation	• Surveys of community representatives • Visits during daily operations
Banks	• Good corporate credit and stable debt repayment capacity • Stable corporate development	• Repay loans on time and maintain good corporate credit • Strengthen cooperation with domestic and international banks	• Visits and exchanges
Academic Institutions	• Continuous investment in scientific and technological innovation • Strengthen industry-university-research collaboration and enhance the ability to commercialise scientific and technological achievements	• Increase internal investment in scientific and technological research and development, and improve intellectual property and innovation management • Increase cooperation and exchanges with universities and other scientific research institutions	• Cooperation and negotiation meetings

Double Materiality Topic Management

Based on the requirements of Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies--Sustainability Report(Trial)¹ and the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code, and with reference to mainstream domestic and international ESG disclosure standards and rating frameworks, combined with industry policy trends and peer benchmarking, Suntien conducts the Double Materiality Topic Identification and Assessment through questionnaire surveys once every three years. From the two dimensions of 'financial materiality' and 'impact materiality', the Company identifies the potential impact of relevant topics on its business model, strategic planning, and financial performance in the short-term, medium-term, and long-term, as well as the degree of impacts of the Company's performance on such topics has on the economy, society, and environment. The results of the materiality analysis are formulated and submitted to the President's Office Meeting for approval.

Suntien's Double Materiality Topic Identification and Assessment Process



¹ Regarding the topics specified in the *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies---Sustainability Report (Trial)* that are not applicable to the Company, Suntien has not provided separate disclosures for these topics in the report. As for the topic of technological ethics, the Company's main business is the investment, construction, and operation of wind power and natural gas projects, and it does not conduct R&D activities involving significant technological ethics risks. Therefore, the topic is not applicable. As for the topic of equal treatment of small and medium-sized enterprises, the Company had no overdue unpaid payments to such enterprises during the reporting period. Therefore, this topic is not applicable. As for the topic of stakeholder communication, the Company has disclosed its stakeholder communication mechanisms, communication methods, and response status in the 'Sustainability Management' section of this report.

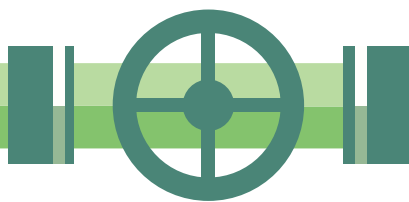
Suntien's Double Materiality Matrix



01

Strengthening Sound Governance

Sound governance is a crucial support for enterprises to achieve sustainable development and enhance long-term value. Suntien systematically promotes the construction of its governance system, strengthens internal control and risk management, improves data and information security mechanisms, and regulates business conduct with requirements for integrity and honesty. By promoting the effective implementation of governance requirements at the organisational and business levels, the Company continuously enhances management transparency and risk resilience, laying a solid foundation for high-quality development.



SDGs Covered in This Chapter:



Material issues covered in this chapter:

Corporate Governance, Risk Prevention and Control, Business Ethics, Data Security and Customer Privacy Protection



Corporate Governance

Suntien continuously improves its corporate governance system. By standardising its governance structure and operating mechanisms and strengthening its decision-making and supervisory functions, the Company consolidates the foundation for compliant and stable operations, providing an institutional guarantee for its long-term sustainable development.

Corporate Governance System

The Company continuously optimises its corporate governance framework in accordance with laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and the regulatory rules of its listing venues. During the Reporting Period, in active response to the requirements of the new *Company Law*, the Company completed the reform of its governance structure, dissolved the Board of Supervisors and abolished the position of supervisor, and formed a governance structure comprising the General Meeting of Shareholders, the Board of Directors and the senior management. Through institutional arrangements, the Company clarifies the boundaries of responsibilities and the operating mechanisms of each governance body, ensuring the standardised and orderly operation of its governance system.

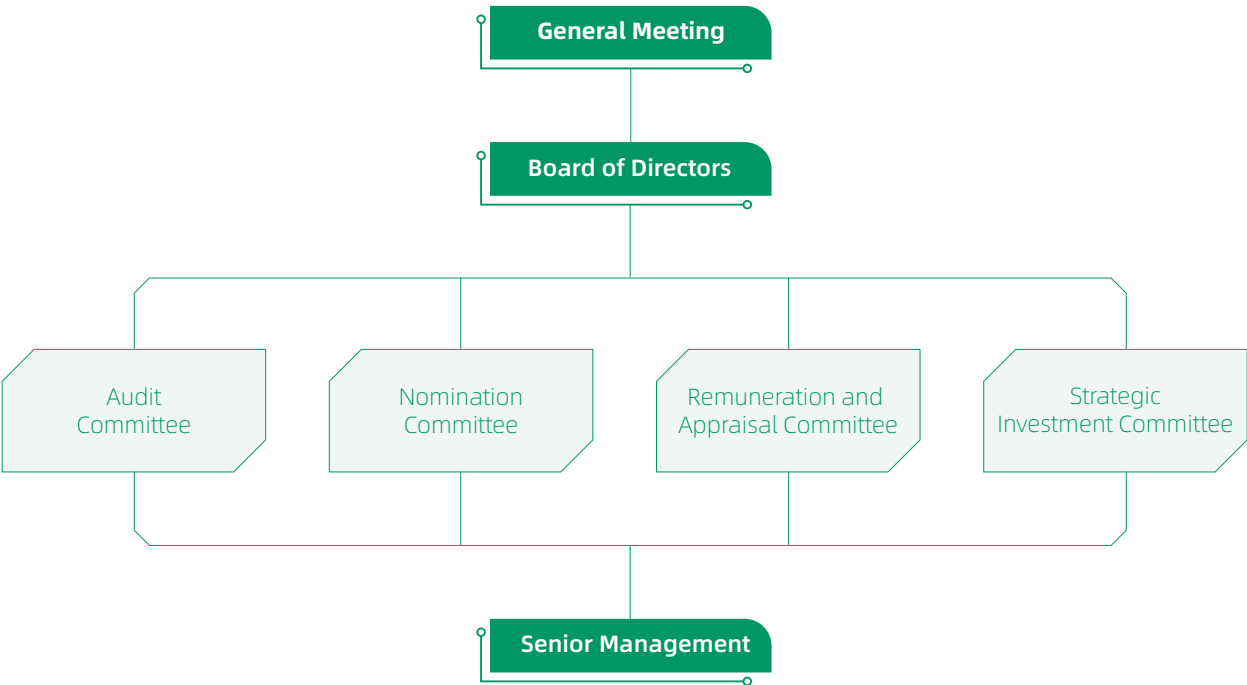
The Company has established and implemented a series of governance documents, including the *Articles of Association*, the *Rules of Procedure for the Shareholders' Meeting*, the *Rules of Procedure for the Board of Directors*, and the implementation rules for each specialised committee of the Board of Directors, which clearly stipulate the decision-making authority, rules of procedure, and supervision mechanisms. Each level of governance cooperates and provides checks and balances within the established institutional framework, ensuring the compliance and effectiveness of the Company's corporate governance operations.

As the decision-making body of the Company, the Board of Directors is responsible for convening General Meetings and reporting its work to them, implementing resolutions of the General Meetings, and deliberating on and deciding major matters such as the Company's business plans, investment proposals, internal organisational structure, and basic management systems. The Board of Directors has established an Audit Committee, a Remuneration and Appraisal Committee, a Nomination Committee, and a Strategic Investment Committee, which provide professional support and advice for the Board's decision-making in accordance with their respective duties. Among them, the Audit Committee is responsible for performing the supervisory duties of the former Board of Supervisors, overseeing the compliance of the Company's business management activities and the performance of directors and senior management, and safeguarding the legitimate rights and interests of the Company and its shareholders.

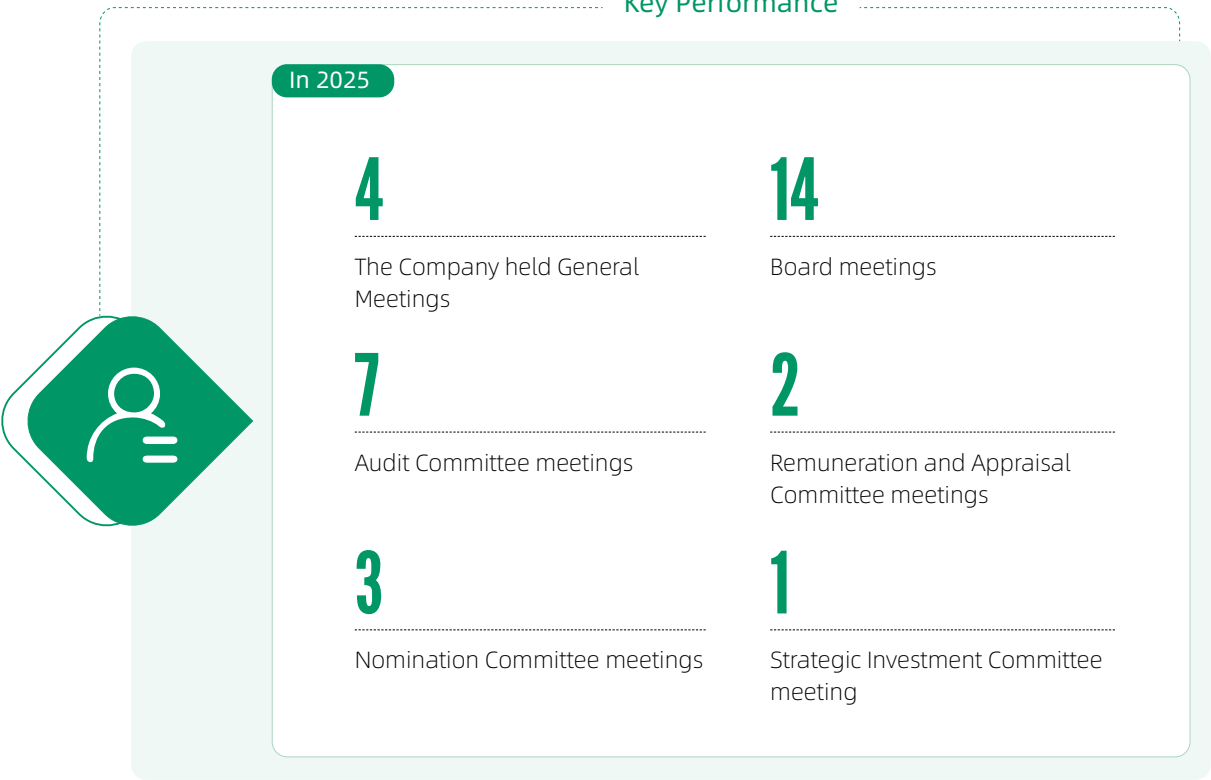
As at the end of the Reporting Period, the Company's Board of Directors comprised 11 directors, including 6 non-executive directors, 1 executive director, and 4 independent non-executive directors.



Corporate governance structure



Key Performance



Board Diversity, Independence and Professionalism

The diversity, independence, and professionalism of the Board of Directors are important factors in improving the corporate governance structure and ensuring the Company's long-term development. The appointment of Board members strictly follows the principle of 'meritocracy'. Based on an assessment of candidates' professional abilities, experience, and capacity for independent judgement, comprehensive consideration is given to the requirements of Board diversity, including aspects such as gender, age, cultural and educational background, professional experience, skill structure, and length of service, to ensure the rationality and effectiveness of the overall Board structure.

According to the *Rules of Procedure for the Nomination Committee*, the Nomination Committee is responsible for continuously monitoring and regularly evaluating the implementation of the board diversity policy and the director nomination policy. It also makes recommendations to the Board of directors on quantifiable objectives for achieving Board diversity, promoting the continuous alignment of the Board structure with the Company's development strategy and governance requirements.

During the Reporting Period, the Company's Board was composed of 11 directors, including 4 independent non-executive directors, accounting for 36% of the total Board members, which effectively ensures the objectivity and independent judgement of the board's decisions. There was 1 female director, continuously promoting gender balance at the governance level.

Professional backgrounds of the Board members

The professional backgrounds of the Board members cover fields such as business management, accounting and auditing, engineering management, and scientific research.

Educational backgrounds of the Board members

Their educational backgrounds are diverse, involving multiple disciplines such as economics, management, engineering, literature, and science.



The Board as a whole maintains an appropriate balance in terms of professional structure, experience composition, and independence, and possesses a high degree of complementarity, providing strong support for the Company's major decisions and long-term stable growth.

Executive Remuneration Management

The Company has established a scientific, standardised, and transparent executive compensation management system. Integrating industry compensation levels with the Company's actual situation, and considering factors such as development strategy, business objectives and performance, and compensation strategy, the Company formulated the *Management Measures for the Remuneration of Managerial Members*. Through effective incentive and restraint mechanisms, it promotes the healthy and sustainable development of the Company. The Company's Remuneration and Appraisal Committee is responsible for formulating the remuneration policy, structure, and plan for senior executives, as well as setting appraisal standards, to ensure that executive compensation is closely linked to operational responsibilities, risks, and performance.

The remuneration structure for the Company's senior management consists of three parts: basic annual salary, performance-based annual salary, and long-term incentive income. The performance-based annual salary is linked to the Company's annual performance appraisal results and capital efficiency evaluation coefficient, which has effectively incentivised management and improved operational efficiency.



01

Share incentives

The Company has established a share incentive scheme, with participants including directors, senior management (excluding independent directors and external directors), and key technical and business personnel. Through the Restricted Share Incentive Scheme, the personal interests of employees are closely tied to the Company's long-term development, enhancing core competitiveness and corporate cohesion. A total of 225 participants were granted awards under the Company's 2023 A-share Restricted Share Incentive Scheme.

02

Appraisal constraints and remuneration clawback

For senior executives whose annual appraisal results do not meet the standards, the Company will deduct their performance-based annual salary and long-term incentive income as appropriate. At the same time, the Company has established a clawback mechanism for remuneration. If a senior executive engages in illegal or non-compliant activities, causes losses to state-owned assets, or other serious adverse consequences during their term of office, the Company will deduct and claw back their performance-based annual salary and long-term incentive income for that year in accordance with laws and regulations.

Investor Relations Management

Suntien continuously standardises its investor relations management work. In accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Guidelines on Investor Relations Management for Listed Companies*, the Company has established and implemented the *Regulations on Investor Relations Management* and the *Detailed Implementation Rules for Investor Relations Work*. These documents clarify the investor communication mechanism and work requirements, ensuring the standardised conduct of information disclosure and investor communication.

In its investor relations management process, the Company adheres to four basic principles: disclosing information in accordance with laws and regulations, treating all investors equally, proactive communication, and honesty and integrity. It has built a multi-level, multi-channel investor communication system, including analyst meetings, results presentations and roadshows, investor summits, on-site visits, and online exchanges. This system continuously strengthens communication and interaction with the capital market, fully listens to investors' concerns and opinions, and effectively protects the legitimate rights and interests of investors.

Highlights of Investor Relations Management Work

- Hosted over **100** online and offline investor site visits and meetings, with the total number of investors received increasing by approximately **25%** year-on-year. The investor base has become more diverse, effectively enhancing the Company's visibility in the capital market.
- Participated in over **10** offline strategy conferences organised by securities firms.
- Regularly held annual, semi-annual, and third-quarter performance briefings via the SSE Roadshow Centre of the Shanghai Stock Exchange, using a combined format of 'live broadcast + live guest interaction + online text interaction' to engage with investors and analysts and provide timely responses to questions concerning the Company's operations and finances.
- Actively responded to investor concerns through the Hudongyi (Easy IR) platform and the investor service hotline, with nearly 100 replies throughout the year, maintaining a **100%** response rate.
- In the capital market, the attention from securities firm analysts continued to increase, with nearly **30** research reports and commentaries published throughout the year. This research positively evaluated the quality of the Company's projects, its operational stability, and its performance development prospects.

Investor Relations Honours and Awards

★ ★ ★ ★ ★
**The 15th Pegasus Award for Investor Relations
Management of Hong Kong-Listed Companies**

★ ★ ★ ★ ★
2025 New Fortune Best IR for Hong Kong Stocks

★ ★ ★ ★ ★
2025 Best Practice for Results Presentations

★ ★ ★ ★ ★
**The 15th 'Pegasus Award' for Outstanding
Board Secretary in Investor Relations**

★ ★ ★ ★ ★
**The 19th Sunshine Board Secretary of
China Listed Companies**

★ ★ ★ ★ ★
**2025 New Fortune Magazine Best Board
Secretary**

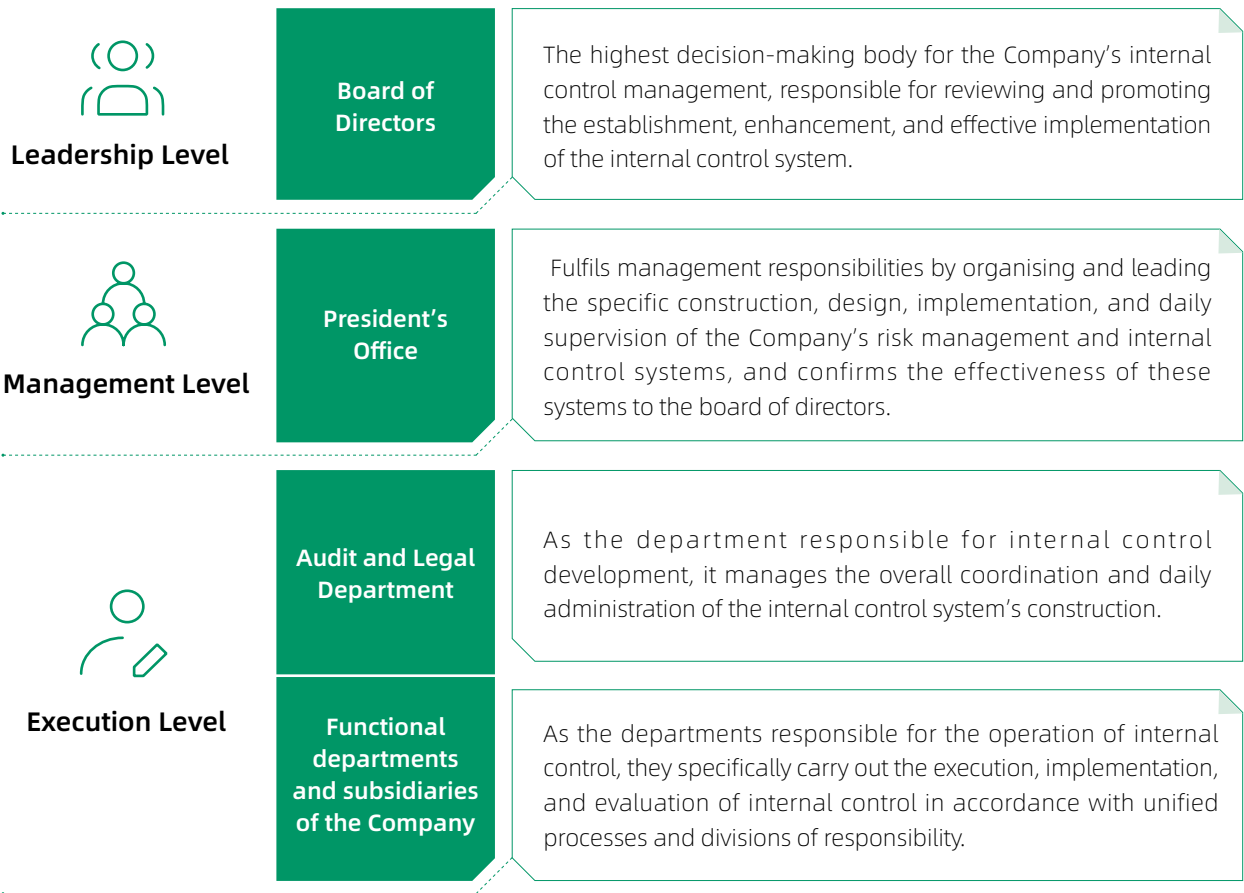
Internal Control and Risk Management

The Company continues to improve its internal control and risk management systems, strengthening risk identification and prevention to enhance the standardisation and stability of its operations and management, thereby providing a guarantee for the implementation of its corporate strategy and long-term sustainable development.

Governance

Internal Control Management Structure

The Company has established an organisational system for internal control management composed of the Board of Directors, the Management, and relevant functional departments. Through clear divisions of responsibilities and operational mechanisms, this system coordinates the establishment, implementation, and supervision of the Company's internal control to promote its effective operation.



Risk Management Structure

The Company has established a risk management structure with clear responsibilities and efficient collaboration. The Board of Directors serves as the ultimate decision-making and responsible body for the Company's comprehensive risk management, reviewing overall risk management policies and major issues; the Audit Committee, as the specialised supervisory body for risk management, reviews important matters in comprehensive risk management and guides its implementation; the President's Office is the daily leadership body for comprehensive risk management, supervising and guiding the work of the risk control committee and the Audit and Legal Department; the Audit and Legal Department is the daily working body for risk management, supervising and supporting the risk management execution of all the Company's functional departments.

Strategy and Management Approach

Suntien considers risk management and internal control as crucial management foundations supporting its strategic implementation and high-quality development. Centred on the goals of improving governance, controlling risks, and ensuring stable compliance, it continuously strengthens its system of regulations and operational mechanisms to promote the deep integration of risk management throughout the entire process of business management.

In terms of system development

The Company has formulated and implemented policy documents such as the Comprehensive Risk Management Regulations, the Internal Control Management Regulations, and the Administrative Measures for the Construction of Internal Supervision Mechanisms, which clarify the divisions of responsibility and work processes for risk identification, assessment, response, and supervision. In 2025, the Company formulated the new List of Essential Systems for Management Units, further detailing the basic requirements for system development at the headquarters and various management units. This promotes the extension of the risk management system to grassroots and business units, achieving comprehensive coverage of the Company's main businesses and management units and enhancing the uniformity and operability of system execution.

In terms of operation and supervision

The Company organises an annual system-wide internal control self-assessment in accordance with the Guidelines for Internal Control of Listed Companies on the Shanghai Stock Exchange. The results are compiled and analysed to form and disclose the Annual Internal Control Self-Assessment Report, which evaluates the operational effectiveness of internal controls in major business processes. Concurrently, the Company conducts internal audits on a quarterly basis, systematically reviewing issues identified during audits and formulating corrective measures to promote closed-loop management of problems and prevent the recurrence of similar issues.

In terms of comprehensive Risk Culture Development

Suntien deeply integrates risk prevention and control awareness into its business processes and daily operations to build a long-term risk management mechanism. Through a diversified training system combining online and offline methods, the Company promotes risk management knowledge to all employees, strengthening the cultural foundation for stable operations. Additionally, the Company has incorporated risk management indicators into the daily performance appraisal systems for senior management and employees, clarifying the link between individual responsibilities and overall risk objectives. This guides employees to proactively identify and prevent risks, enhancing the risk sensitivity and sense of responsibility of the entire workforce.

Case: 2025 legal and risk management training programme

In August 2025, Suntien successfully held a three-day legal and risk management training programme. Hosted by the Audit and Legal Department and themed 'Weaving a Protective Net for Risk Management, Forging a Ballast for Compliant Operations', the training was conducted in a hybrid online and offline format. A total of 50 contract managers and internal control specialists from various departments and management units participated in the offline sessions, while more than 100 contract personnel joined online simultaneously. The training covered core topics such as corporate risk control system development, internal control practices for listed companies and legal practices for contract execution. Concurrently, the Company arranged special sessions on Xi Jinping Thought on the Rule of Law and the 'Eight-point Decision of the Central Committee', comprehensively enhancing employees' risk management awareness and overall competency, thereby providing new momentum for the robust and efficient development of the Company's business.



The 2025 legal and risk management training programme in session

Risk Management

Risk Management Process and Mechanism

Suntien has established an end-to-end risk management mechanism that covers risk information collection, risk identification, risk assessment, risk response, risk monitoring and early warning, as well as supervision, evaluation, and continuous improvement. By periodically assessing the soundness and operational effectiveness of the risk management system, the Company dynamically optimises its risk management strategies and the configuration of early warning indicators. This enhances the system's adaptability to changes in the internal and external environment, providing support for the Company's stable operations and the achievement of its strategic objectives.

The Company's Risk Management Process

Risk Information Collection

Relevant departments and management units of the Company extensively collect, sort, and record risk information related to their respective responsibilities and business operations, establishing the Company's risk database.

Risk Assessment

Each year, the Company conducts a risk assessment on various types of collected risk information and key business processes. It analyses each risk from the dual perspectives of its likelihood of occurrence and the degree of its potential impact on the Company to determine the risk level and management priority for each item, culminating in the Annual Risk Assessment Report.

Risk Response

Based on their professional experience, each department and management unit of the Company identifies key areas for management, assigns management responsibilities, and develops specific Major Risk Response Plans, compiling the Comprehensive Risk Management Annual Report.

Risk Monitoring and Early Warning

Risk early warning indicators are established, and their thresholds are adjusted in a timely manner according to internal and external conditions to monitor changes in risk in real time. An alert is triggered when a quantifiable risk reaches its threshold or when a non-quantifiable risk has the potential to become a severe and high-impact event.

Risk Supervision, Evaluation and Improvement

Risk supervision, evaluation, and improvement activities are conducted at least once a year to review the effectiveness of existing response strategies and to adjust and optimise them in a timely manner, ensuring that all types of risks are comprehensively and effectively controlled.

Comprehensive Risk Management Assessment

The implementation of risk management work by each department and management unit of the Company is periodically inspected, and the completion of risk management tasks is assessed. Based on the results of supervision or assessment, the Company's comprehensive risk management work is improved and enhanced.

In 2025, Suntien conducted its annual risk identification and assessment for its headquarters and all second-tier subsidiaries. This covered all functional departments and key management units, such as new energy and natural gas, as well as 28 Tier-1 management units including the Hong Kong subsidiary, forming the 2025 Annual Risk Assessment Report. Through systematic identification and assessment, the Company conducted a comprehensive analysis of 40 risk events, completing the annual risk level ranking and mapping the risk landscape.

Based on the assessment results, the Company identified 3 major annual risks, with the remaining risks classified as significant and included within the scope of ongoing management, providing a basis for tiered risk control and resource allocation. Furthermore, the Company has established a risk monitoring and early warning mechanism to dynamically track and manage key risks, adjusting risk warning indicators and thresholds as the business environment changes. In 2025, there were a total of 17 system-wide risk warning indicators, and Qinhuangdao Offshore Wind, SWEF were included in the scope of risk warning implementation units, further expanding risk monitoring coverage and enhancing the comprehensiveness and effectiveness of risk warnings.

 Metrics and Targets



Leading with Party Building

Suntien has consistently adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply integrating Party leadership into all aspects of corporate governance and spearheading High-quality development through high-quality Party building. In 2025, the Company's Party Committee continued to study and implement the spirit of the 20th National Congress of the CPC and the Third and Fourth Plenary Sessions of its 20th Central Committee, fully enacted the general requirements for Party building in the new era, and persistently consolidated the achievements of Party discipline education, providing a strong political guarantee for the Company's transformation, upgrading, and large-scale development.

In 2025, the Company's Party Committee fully leveraged its leadership role in 'Setting the Direction, Managing the Overall Situation, and Promoting Implementation', organising 51 party committee meetings to review and study a total of 246 topics. The Company deeply integrated Party spirit education with business operations and the cultivation of new productive forces by offering a new year Party lecture, specialised presentations, a series of activities for the 104th anniversary of the Party's founding, and role model learning initiatives. Concurrently, it rigorously implemented the spirit of the Central Committee's Eight-Point Decision and coordinated the advancement of conduct and system building. Furthermore, the Company organised training courses to enhance the professional capabilities of its Party building, disciplinary inspection, and publicity functions, which comprehensively improved the professional competence and execution of grassroots Party organizations and achieved synergy between Party building work and production and operations.

Case: Suntien holds a briefing session on the spirit of the Fourth Plenary Session of the 20th CPC Central Committee

In November 2025, Suntien held a briefing session on the guiding principles of the Fourth Plenary Session of the 20th CPC Central Committee, attended by members of the Company's leadership team and the principal leading cadres of various departments and management units. The meeting provided an in-depth interpretation of the Plenum's guiding principles, requiring all personnel to closely integrate theoretical study with the '15th Five-Year Plan' and the Company's reform practices. It focused on the three core sectors of new energy, natural gas and digitalisation to accelerate the cultivation of new quality productive forces. This briefing further unified ideological consensus, strengthened the Party's overall leadership over the enterprise and translated the Plenum's guiding principles into concrete actions and effective work towards building a world-class integrated green energy service provider.



Case: Suntien holds the 'First Lecture' of its New Year Party Class

In January 2025, Suntien held a Party Spirit Education Conference where Tan Jianxin, Party Secretary and President, delivered the 'First Lecture' of the new year party class to all Party members, officials, and employees. The lecture deeply analyzed the philosophical connotations of *On Practice* and *On Contradiction*, and systematically explained the application of the principles of 'Unity of Knowledge and Action' and 'Unity of Opposites' in business operations, drawing on the company's 15 years of reform and development experience. This Party lecture not only strengthened the theoretical grounding of all staff but also guided employees to use philosophical thinking to accurately identify primary contradictions and scientifically direct business practices in their work, laying a solid ideological foundation for the Company's high-quality development throughout the year.



The 'First Lecture' of the New Year Party Class in Session

Case: Suntien conducts a themed Party Day activity on 'Inheriting the Spirit of the Anti-Japanese Military and Political University and Practising Our Original Mission'

To celebrate the 104th anniversary of the founding of the Party and commemorate the 80th anniversary of the victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War, the Suntien Party Committee organised a themed Party Day activity in July 2025 titled 'Inheriting the Spirit of the Anti-Japanese Military and Political University and Practising Our Original Aspiration and Mission'. Over 30 representatives, including Party members, probationary members, and united front personnel, visited the Anti-Japanese Military and Political University Memorial Hall in Qiannanyu, Xingtai. Through on-site tours of precious artefacts, renewing the Party admission oath, and live situational teaching, participants gained a profound understanding of the spirit of the University. They also concurrently carried out practical activities for the 'Dual Striving' civilization creation initiative. This event provided all attendees with a profound education in Party spirit and a spiritual baptism, effectively guiding Party members and officials to transform their learning into a driving force for entrepreneurship and to proactively assume responsibilities on the new journey, providing a solid ideological guarantee for the Company's high-quality development.



Scene from the 'Inheriting the Spirit of the Anti-Japanese Military and Political University and Practising Our Original Mission' Themed Party Day Activity

Integrity and Honest Management

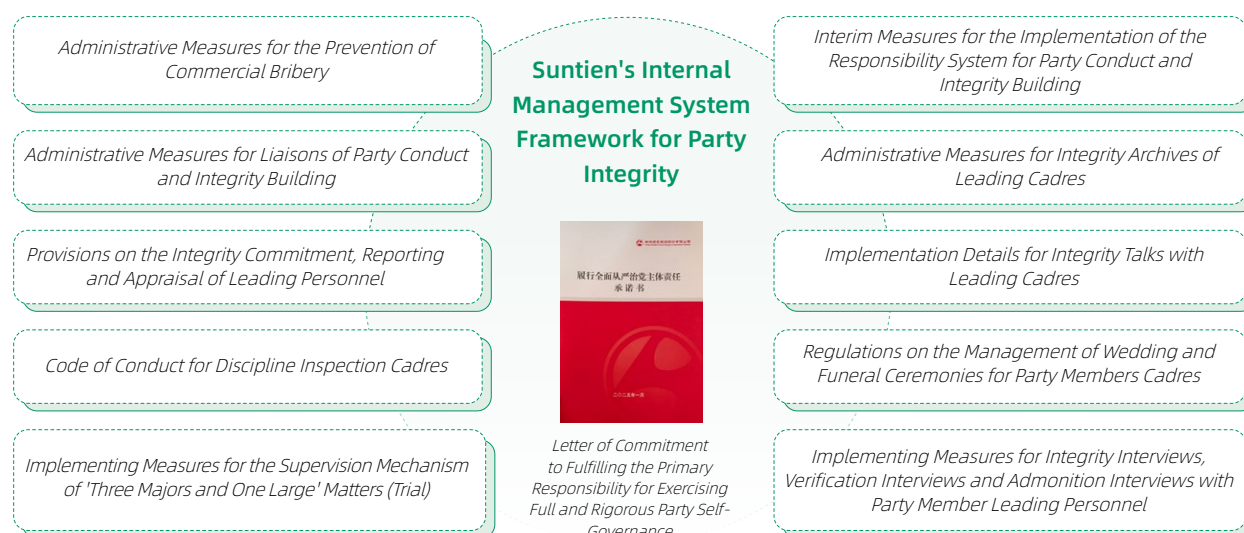
Suntien continues to strengthen its integrity and honesty management. By improving governance mechanisms and institutional systems and enhancing supervision and accountability, the Company fosters a law-abiding, compliant, and self-disciplined business environment, safeguarding its standardised operations and sustainable development.

Integrity Management

Suntien strictly complies with laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company has formulated internal integrity policies including the *Management Measures for Business Ethics*, the *Administrative Measures for the Prevention of Commercial Bribery*, the *Implementation Details for Integrity Talks with Leading Cadres*, the *Administrative Measures for Integrity Archives of Leading Cadres*, the *Regulations on the Management of Wedding and Funeral Ceremonies for Party Members Cadres*, and the *Administrative Measures for Liaisons of Party Conduct and Integrity Building*. The Company incorporates business ethics management into its daily governance and regular supervision, promptly formulating and implementing improvement measures for any identified potential issues to continuously enhance its level of business ethics governance.

Suntien requires all employees and business partners to strictly adhere to the business Code of Conduct and firmly opposes any form of monopolistic behaviour or unfair competition. Additionally, all employees and business partners are required to perform their duties with integrity, and corruption, commercial bribery, and all forms of commercial fraud are strictly prohibited.

In 2025, we further advanced exercising full and rigorous Party self-governance and strengthened Party conduct and integrity construction and anti-corruption efforts. We require middle and senior management from the Company's headquarters and its affiliated companies to sign the *Letter of Commitment to Fulfilling the Primary Responsibility for Exercising Full and Rigorous Party Self-Governance*. Newly appointed leaders at or above the deputy mid-level at Suntien's headquarters are required to sign the *Leadership Integrity Pledge* to set an example of integrity and self-discipline for all employees. Heads of newly commenced projects must sign the *Lifetime Responsibility Commitment for Project Quality* to ensure they perform their duties in accordance with laws and regulations.



Business Ethics Supervision

Based on policies such as the *Management Measures for Business Ethics*, Suntien has established a systematic and cyclical business ethics management approach to ensure the effective implementation of its business ethics standards.

Business ethics matters are overseen by the Audit Committee under the board of directors, while the Board of Directors' Office is responsible for inspecting business ethics standards, conducting checks on their implementation across all operational segments on a three-year cycle. In addition, the Company's annual special audit mechanism, combined with the handling of reported complaints, conducts further verification of the implementation of Party conduct and integrity construction responsibilities and compliance with integrity regulations in economic activities. In supplier management, business ethics requirements are incorporated into the audit and regular compliance assessment criteria, creating a multi-layered supervision system. The Company maintains a zero-tolerance policy for violations, handling them seriously according to a tiered penalty system; in severe cases, employment contracts will be terminated and legal action pursued, while typical cases are circulated internally to reinforce the deterrent effect. The results of business ethics inspections are reported to the Company's President's Office Meeting and serve as an important basis for optimising internal control processes and revising regulations.

On this basis, in 2025, the Company routinely carried out accountability investigations for irregular business operations and investments across the entire system, fulfilling its responsibility to supervise state-owned assets. During the reporting period, relevant audit and accountability work achieved full coverage of all subsidiaries within the Suntien system, culminating in the *Report on the Accountability for Irregular Business Operations and Investments within the Suntien System for 2025*.

 As of the end of the reporting period

no instances of irregular business operations or investments involving violations of business ethics or corruption were identified within the Company's system.

Key Performance



In 2025

0

incidents of commercial bribery and corruption

0

incidents of litigation or major administrative penalties resulting from unfair competition

■ Building a Culture of Integrity

Suntien consistently carries out diverse educational initiatives on Party conduct and integrity, ensuring that these activities cover all personnel within the system to continuously enhance employee awareness of compliance and integrity. The Company organises annual business ethics training for all employees and regularly promotes a culture of compliance through its internal platforms.

In 2025, the Company undertook various activities to build a culture of integrity. By holding a conference on advancing full and rigorous Party self-governance and strengthening Party conduct, integrity construction, and anti-corruption work, and by regularly distributing educational and warning materials, it reinforced the bottom-line awareness of leadership and all employees.

In 2025

3,058

Participants in business ethics training or integrity education numbered

13,149.4

with total training hours amounting to

Case: Suntien holds a conference on Party conduct and integrity construction and anti-corruption work

In January 2025, Suntien held its 2025 conference on advancing full and rigorous party self-governance and strengthening party conduct and integrity construction and anti-corruption work. The leadership teams of the Company and its system enterprises, all headquarters staff, and other employees participated either in person or online. The meeting promoted the '1234' supervision methodology through studying the spirit of relevant speeches, reviewing annual work, and planning future deployments, and the *Letter of Commitment to Fulfilling the Primary Responsibility for Exercising Full and Rigorous Party Self-Governance* was signed on-site. The conference emphasised strengthening precise, front-line supervision at the grassroots level. By deepening the integrity culture brand system and implementing an educational matrix including 'full coverage of duty performance talks', it effectively consolidated the political responsibilities of leadership at all levels and built a 'clean and healthy' integrity culture ecosystem, reinforcing the compliance and disciplinary foundation for the Company's high-quality development.



The conference on exercising full and rigorous Party self-governance and strengthening Party conduct, integrity construction, and anti-corruption work in session

Grievance and Reporting Mechanism and Whistleblower Protection

Suntien has established a standardised grievance and reporting mechanism and disposal procedure, committed to fostering a transparent and honest business environment. The Company maintains multiple open complaint channels for stakeholders, including employees, suppliers, and customers, such as telephone lines, email addresses, and mailboxes. We encourage relevant parties to actively report any behaviour that infringes upon the Company's assets and reputation, violates national laws and regulations, or deviates from company rules and systems, thereby jointly maintaining the Company's clean and compliant business order.

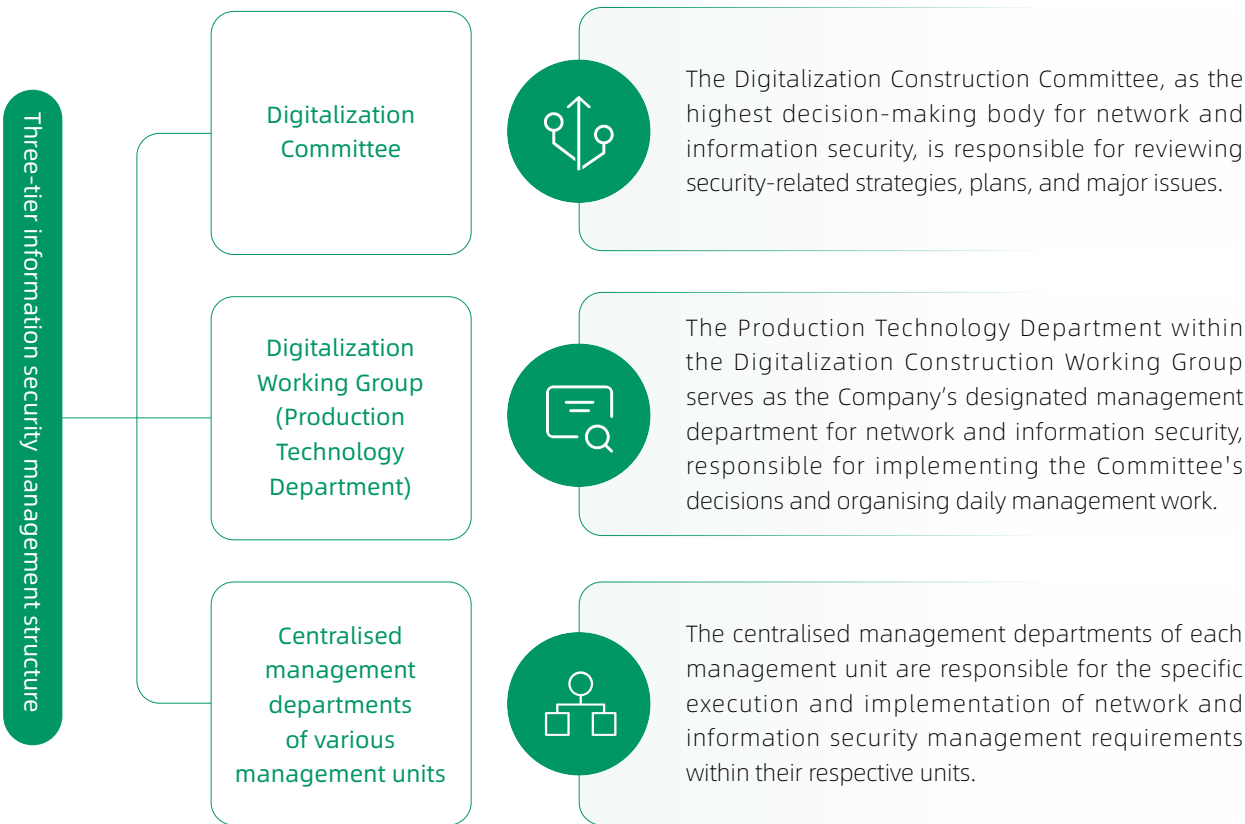
The Company considers whistleblower protection a vital part of its business ethics management and strictly enforces confidentiality policies. It commits to rigorously protecting the personal identity information, contact details, and content of reports from whistleblowers throughout the entire process and strictly prohibits any form of retaliation, effectively safeguarding the legitimate rights and interests of those who report issues.



Data Security Management

Suntien places great importance on data and information security, incorporating them into its Corporate Governance and risk management system. It enhances security for data and information systems to support the stable operation of its business and its digital development.

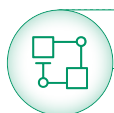
Information Security Management System



The Company complies with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and other laws and regulations. It has formulated internal policies such as the *Internal Control Manual*, the *Data Management Measures* and the *Data Architecture Management Measures*, and has detailed supporting management measures including the *Network and Information Security Management Measures* and the *Network Security Assurance Plan for Conference Periods*. These establish the information security management principle of 'unified standards and hierarchical management', promoting the comprehensive coverage and effective implementation of information security management requirements across all departments and management levels of the Company.

Information Security Risk Control

Focusing on the secure operation of its network and information systems, the Company has established information security risk prevention and control measures covering the physical environment, network systems, data management and personnel conduct to enhance its overall defence capabilities against information security risks.



In terms of physical and hardware security

The Company strictly implements its server room access management system, standardises equipment access procedures, and conducts network access approvals and plan evaluations for terminals and network devices to ensure the security and compliance of the information system operating environment.



Regarding system and data management

The Company has established an approval mechanism for the launch and major changes of information systems. Guided by the *Data Management Measures* and the *Data Architecture Management Measures*, it clearly defines the scope of protection and distribution permissions for core data and trade secrets to prevent unauthorised data access and use.



In terminal and behaviour management

The Company has standardised the security configuration of office terminals. It uses professional tools to conduct security baseline assessments and vulnerability rectifications, and strengthens the management and constraint of employee behaviour when operating information systems.

In 2025, the Company engaged a professional third-party organisation to conduct an audit and assessment of its corporate-level internal control and network and information security. It also implemented network security level protection assessments, vulnerability scanning and penetration testing for its operations management system, collaborative office system and comprehensive office system.

Customer Privacy and Data Protection

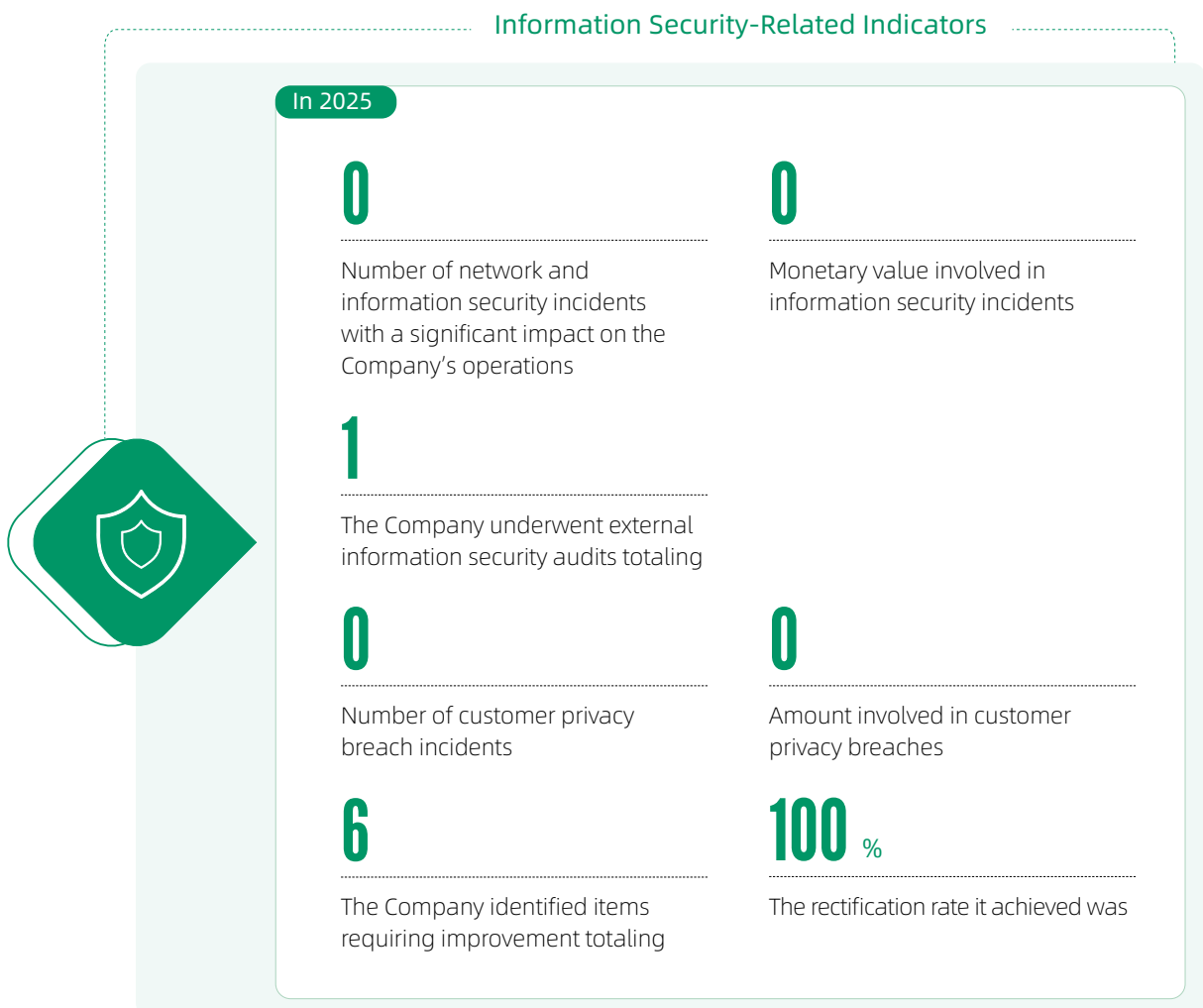
The Company attaches great importance to customer data and privacy protection, integrating relevant requirements into its information security management system and daily management work. We employ technical measures such as encrypted storage and transmission for sensitive customer information and implement strict access control and usage management to prevent information leakage, tampering, damage, illegal provision or improper use. We continuously enhance the level of customer data security and privacy protection to ensure the compliant operation of related businesses and services.

Information Security Emergency Management

The Company has formulated and implemented the *Special Emergency Plan for Sudden Network and Information Security Incidents*, which classifies and grades potential network and information security incidents. It defines a closed-loop management process covering incident reporting, response activation, emergency handling, recovery and reconstruction, and post-incident evaluation. The Company has established a Network and Information Security Incident Emergency Command Centre, with the President as the Commander-in-Chief. This centre includes an Emergency Work Office, an Emergency Response Group and a Comprehensive Support Group, responsible for unified command, coordination and emergency decision-making during information security incidents to ensure the efficient operation of the emergency response mechanism.

When an information security incident occurs, the Company promptly activates the corresponding emergency response mechanism according to the incident's level. It coordinates internal resources and external technical support, taking measures such as isolation, repair, and recovery to mitigate the impact of the incident on the Company's operations and business. After the incident, investigations, assessments, and rectifications are carried out to continuously improve information security management.

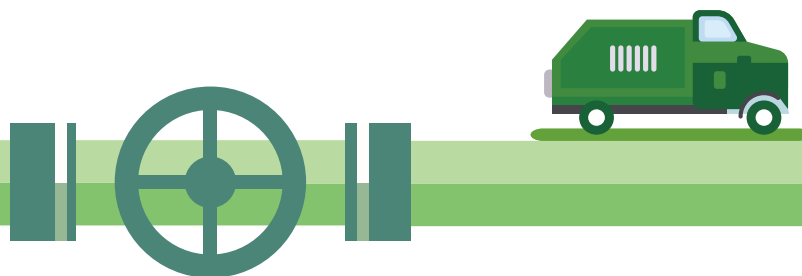
Metrics and Targets



02

Promoting Green Operations

Suntien implements the national strategy for carbon peaking and carbon neutrality and the principles of ecological civilisation, deeply integrating environmental responsibility into its corporate governance and business operations. Faced with multiple environmental challenges, including global climate change, we strictly adhere to compliance baselines and proactively manage related risks, comprehensively enhance climate resilience, improve our environmental management system, optimise resource utilisation and waste management, and protect biodiversity. The Company actively explores a path of sustainable development where clean energy development and natural ecological harmony coexist, aiming for synergistic growth of economic and ecological benefits.



SDGs Covered in This Chapter:



Material issues covered in this chapter:

Addressing Climate Change, Waste Management, Biodiversity and Land Use, Resource Use, Pollutant Emissions



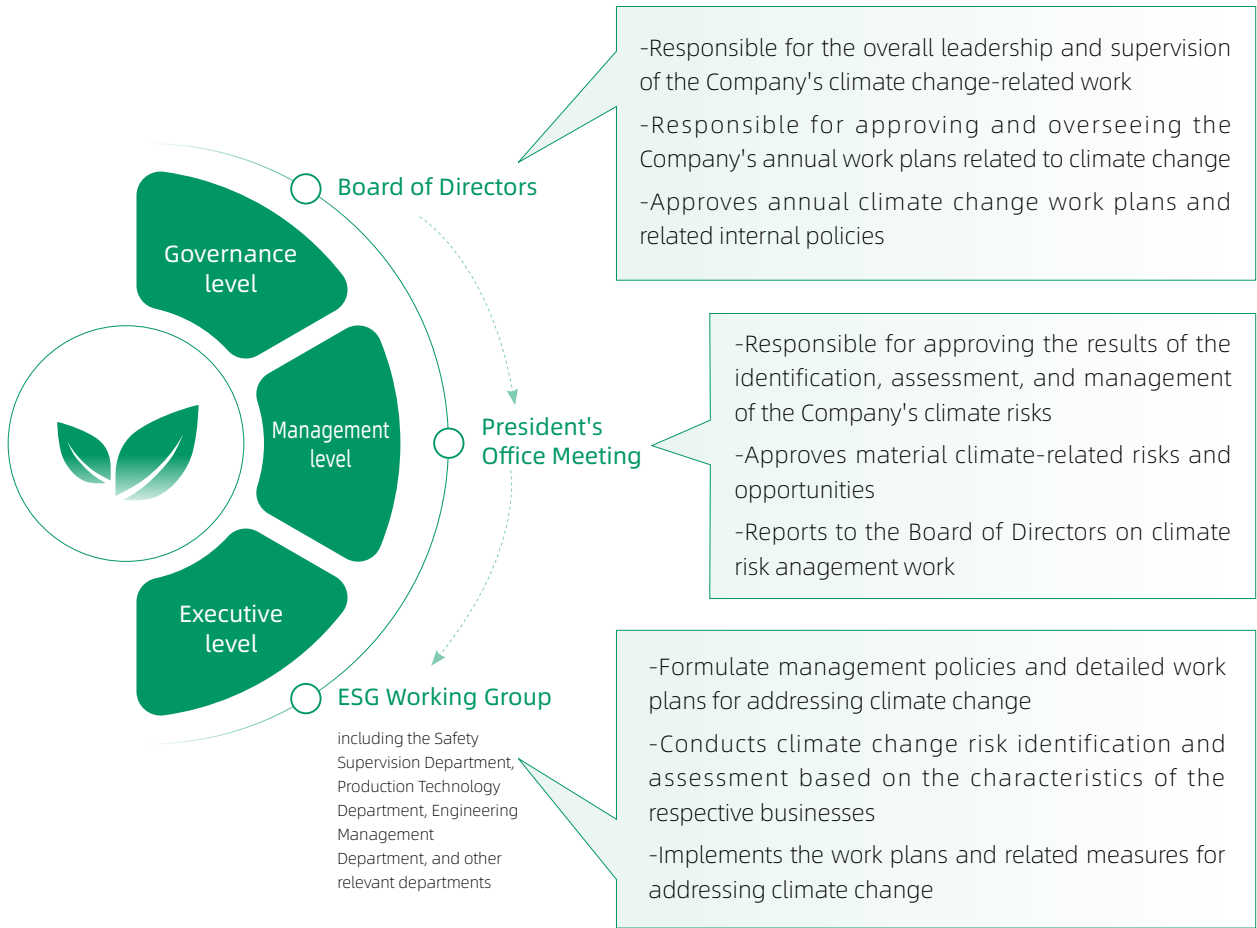
Addressing Climate Change

Suntien adheres to the standards of international organisations and domestic regulatory bodies, building a comprehensive climate governance structure and actively identifying, assessing and responding to climate-related risks and opportunities. We are committed to demonstrating our efforts and achievements in addressing climate change to stakeholders in a transparent and responsible manner, striving tirelessly for a sustainable future.

Climate Governance Structure

The Company has formed a three-tier climate management structure consisting of governance, management and executive levels. This clarifies the division of responsibilities at each level and integrates climate-related requirements into corporate governance, risk management and daily operational decision-making. We continuously enhance our ability to manage risks and opportunities related to climate change, contributing to the national strategy for carbon peaking and carbon neutrality.

Climate governance structure chart



Strategy

To understand the impact of climate change on the Company and the associated risks and opportunities, Suntien analyses and consolidates relevant risk and opportunity topics by considering various policy information, market changes and technological development trends. After assessing their impact, these topics are prioritised based on materiality, forming the basis for establishing strategies to address these risks and opportunities.

Climate Risk and Opportunity Identification

Based on the locations of the Company's assets and the characteristics of its business, we have systematically identified and compiled climate-related physical risks, transition risks and transition opportunities, forming a climate risk and opportunity list.

Climate risk and opportunity list

Physical Risks		Transition Risks	Transition Opportunities
Acute Risk	Tropical Cyclones	National Climate Policies	Operational Optimisation
	Landslides	Industry Development	Material Recovery at the Production End
	Extreme Precipitation	Downstream Markets	Low-Carbon Value Chain
	Extreme High Temperatures	New Technology Investment Risks	Technological Innovation
	River and Coastal Flooding	Upstream Markets	Wind Power Generation
Chronic Risks	Availability of Wind Resources	Green Supply Chain Requirements	New Energy Industry Chain Extension
	Low-Temperature Risk	International Climate Policy	Natural Gas
	Sea Level Rise	Climate/Environmental Laws, Regulations and Litigation	Market Growth
	Warming Trend	Energy Structure Adjustment	Energy Use Management
	Water Scarcity	Assets and Expenses	Carbon Markets
		Negative Public Opinion	

Based on the identification of climate risks and opportunities, we conducted a risk assessment by combining industrial analysis, value chain analysis, and internal research. In accordance with IFRS S2, we divide climate risks into two major categories, physical risks and transition risks, and evaluate them based on the two dimensions of risk severity and frequency; for climate opportunities, we focus on the two dimensions of external industry attractiveness and internal capability alignment. We ultimately developed an internal climate risk and opportunity matrix, which is designed to clearly present the Company's overall climate risk and opportunity characteristics and to prioritise climate risk management actions. In the future, the Company will continue to optimise its risk assessment criteria and management processes to ensure it can effectively address the challenges and seize the opportunities presented by climate change.

Climate Risk Response Strategy

Based on the assessment of climate risks and opportunities, we conduct in-depth analyses of the impact of each key risk factor on aspects such as the Company's value chain and finances, and formulate precise response measures tailored to our current business operations.

Key risk and opportunity impact analysis and response

Category	Risk/Opportunity Factor	Time Horizon	Impact on Business Model	Impact on Value Chain	Financial Impact	Response Measures
Physical Risks	• Tropical Cyclones • Extreme Precipitation • Landslides	• Short-Term • Medium-Term • Long-Term	• Tropical cyclones can cause structural damage, such as broken turbine blades and collapsed towers, leading to power generation interruptions. • Extreme precipitation increases risks such as exposed natural gas pipelines, damaged anti-corrosion layers, and floating suspended pipes, threatening operational safety. • Landslides can directly topple wind turbine equipment in mountainous areas or cause severe compression and deformation of gas pipelines, leading to leakage incidents. • Extreme weather poses challenges to the safety of assets and personnel during the project construction phase.	• Upstream • Core Operations • Downstream	• Increased Operating Costs • Asset Impairment or Loss • Decreased Revenue	• Projects fully consider the impact of extreme weather during the resource measurement and site selection phases. • Before construction, emergency plans are refined and emergency drills are conducted. Key construction phases avoid peak periods for extreme weather to ensure personnel health and project safety. • During procurement, the performance of equipment in resisting extreme weather is considered to ensure normal operation is maintained under such conditions. • Wind power forecasting systems are used for early warning of weather changes, monitoring in high-risk areas for geological disasters is enhanced, and intelligent operation and maintenance systems are utilised to inspect equipment operating status.
	• Low-Temperature Risk • Wind Resource Availability	• Long-Term	• Strong cold air or cold spells increase risks such as snow and ice accumulation, which can cause equipment damage or even shutdowns, leading to reduced power generation efficiency and increasing the risk of ice shedding from blades. • Changes in wind resource availability directly affect the revenue from the Company's wind power projects.	• Core Operations	• Decreased Revenue and Profit	• The low-temperature resistance of equipment is assessed during procurement. • The wind power forecasting system, combined with an icing prediction module, analyses the risk periods and severity of blade icing to assist in formulating shutdown or low-speed de-icing operational strategies. • Increase investment in the research and development of climate adaptation technologies.

Category	Risk/Opportunity Factor	Time Horizon	Impact on Business Model	Impact on Value Chain	Financial Impact	Response Measures
Transition Risks	• National Climate Policy	• Short-Term • Medium-Term • Long-Term	• Policies, represented by <i>Document No. 136</i>, are accelerating the development of the spot electricity market, leading to increased volatility in market electricity prices, intensified competition for generation capacity and high-quality trading contracts, and heightened uncertainty in project revenues and investment returns. • The gradual standardisation of land use regulations for wind power projects is increasing upfront costs and uncertainty. • The policy framework for the decommissioning and recycling of wind power equipment is being established more rapidly, introducing new requirements for these processes. • Policies concerning liquefied natural gas trade, equipment tariffs, and supply chain security may fluctuate.	• Upstream • Core Operations • Downstream	• Fluctuations in Revenue • Asset Impairment Risk	• Closely monitor the latest policies, laws, and regulations. • Establish a power marketing centre and form a professional power trading team to enhance the Company's electricity trading capabilities. • Develop dispatchable energy source projects and implement a diversified 'New Energy+' business portfolio. • Fully consider grid absorption capacity when investing in new projects. • The natural gas segment optimises receiving terminals and pipeline network infrastructure, enhances resource supply security, and responds flexibly to changes.
	• Investment Risk in New Technologies	• Short-Term • Medium-Term • Long-Term	• Risks such as technical feasibility, capital investment, and talent reserves during the development of cutting-edge natural gas and wind power technologies limit the promotion of technological achievements. • In R&D and innovation for new business areas like new energy storage and hydrogen, there are risks such as the lack of unified standards and diverse market application demands, which affect the input-output efficiency of research and development investment.	• Core Operations	• Increase in Research and Development Investment	• Actively participate in the formulation of industry and group standards, and fully carry out industry exchange and technical collaboration. • Strengthen industry-university-research collaboration with higher education institutions and research institutes, and accelerate technology implementation through demonstration projects and application verification. • Continuously build up technological capabilities in green energy such as hydrogen, increase investment in scientific and technological innovation, accelerate breakthroughs in cutting-edge technologies like hydrogen production from renewable energy, and promote the extension of the value chain.

Category	Risk/Opportunity Factor	Time Horizon	Impact on Business Model	Impact on Value Chain	Financial Impact	Response Measures
Transition Risks	•Market Risk	•Short-Term •Medium-Term •Long-Term	•Amidst the industry's rapid development, the number of market participants in wind power and natural gas projects is increasing, leading to fiercer competition for premium wind and solar resources, which may increase the difficulty and cost of acquiring new project resources. •The cost of wind power projects is affected by the prices of key raw materials such as steel, copper, and rare earths; meanwhile, natural gas procurement costs are closely linked to international oil prices and domestic supply-demand dynamics, facing price fluctuation risks. •The deepening of electricity market reform and the popularisation of new trading models are increasing electricity price volatility; at the same time, macroeconomic fluctuations and the energy transition are impacting industrial gas demand.	•Upstream •Core Operations •Downstream	•Increased Production Costs •Fluctuations in Revenue	•Focus strategically by divesting non-core businesses and concentrating advantageous resources in the primary wind power and natural gas sectors; broaden resource channels, strengthen communication with the government and other stakeholders, enhance management and trading capabilities, and actively respond to market competition. •Actively research technical solutions like green hydrogen and new energy storage, steadily advance the construction of pumped storage projects, seize development opportunities in gas-fired power plants, develop peaking power sources, and further enrich and optimise the Company's business structure. •Adopt dynamic trading strategies and a quantitative trading system, and proactively engage in green certificate and carbon trading to secure electricity trading revenues. •The natural gas segment is developing an integrated industry chain covering procurement, supply, storage, and sales, actively participating in the upstream resource market, allocating spot resources based on market conditions and prices, and strengthening interconnection with the national pipeline network.
	•Green Supply Chain Requirements	•Medium-Term •Long-Term	•Some enterprises have already incorporated suppliers' green management systems, carbon footprint, and green electricity usage into their tender and procurement evaluations, and building a green supply chain is becoming an industry consensus. Carbon emissions from enterprises along the industry chain are facing increasingly stringent regulatory requirements for accounting, reporting, and disclosure.	•Upstream •Core Operations	•Increased Operating Costs	•Establish a green supply chain management system and improve the assessment mechanism for supplier environmental and low-carbon performance. •Strengthen carbon emissions accounting and improve the quality of information disclosure.

Category	Risk/Opportunity Factor	Time Horizon	Impact on Business Model	Impact on Value Chain	Financial Impact	Response Measures
Transitional Opportunities	- Operational Optimisation - Material Recovery at the Production End - Low-Carbon Value Chain	- Medium-Term - Long-Term	- Innovate wind power operation strategies and methods to enhance power generation efficiency; expand the application scenarios of wind farms to improve comprehensive utilisation efficiency. - Opportunities for resource recovery and recycling after wind turbine units reach their decommissioning phase. - Collaborate with upstream and downstream partners in the industry chain on carbon emissions management to build low-carbon competitiveness.	- Upstream - Core Operations - Downstream	Increased Revenue and Profit	- Building a smart station operation and maintenance system to integrate and analyse environmental, production, and inspection data, thereby enhancing power generation efficiency and stability; actively exploring multi-scenario coupled application models for clean energy sources such as wind, solar, and hydrogen, combined with energy storage technology. - Systematically promoting resource recovery and reuse schemes for decommissioned units. - Jointly promoting value chain decarbonisation by setting low-carbon targets and sharing data and emission reduction results.
	Technological Innovation	- Medium-Term - Long-Term	Introducing energy-saving processes and equipment to optimise the operational efficiency of wind farms and natural gas facilities.	Core Operations	- Increased Capital Expenditure - Reduced Operating Costs	Implementing energy-saving technical renovation projects to optimise production processes.
	- Wind Power Generation - Natural Gas - Extension of the New Energy Industry Chain	- Short Term - Medium-Term - Long Term	- Policy support, technological advancements, and low financing costs create opportunities for the development of the wind power business. - As a form of clean energy, natural gas plays a significant role in the energy transition. - The integrated development of renewable energy with hydrogen, energy storage, and other technologies is becoming a new trend.	Core Operations	Revenue Growth	- Accelerating the large-scale development of offshore wind power, actively promoting distributed wind power development, and steadily advancing the development of pumped storage projects. - Continuously developing the end-user market for natural gas and improving the gas transmission network; expanding into markets outside the province by leveraging the national grid's transmission channels; promoting the sharing of natural gas resources and industrial collaboration. - Competing in emerging industrial sectors such as hydrogen and energy storage, and actively promoting the integrated development of multiple energy sources.
	Market Growth	- Short Term - Medium-Term	- Multiple domestic policies support the development of renewable energy, and the deepening reform of the electricity market provides diversified support for the consumption of wind and solar power. - Financing instruments such as green bonds and esg-linked loans provide companies with low-cost financial support.	- Core Operations - Downstream	- Revenue Growth - Reduced Financing Costs	- Promoting the development of large-scale new energy bases. - Actively participating in market-based transactions to increase the Company's on-grid electricity volume.

During the reporting period

The Company expanded its green debt financing instruments and completed the issuance of the first tranche of 2025 green medium-term notes, raising RMB 1.5 billion to provide long-term funding for the Company's green and low-carbon development.

Current and Anticipated Financial Impacts of Climate Change

The Company values the financial impact of climate change and continuously improves its metrics for quantifying these effects.

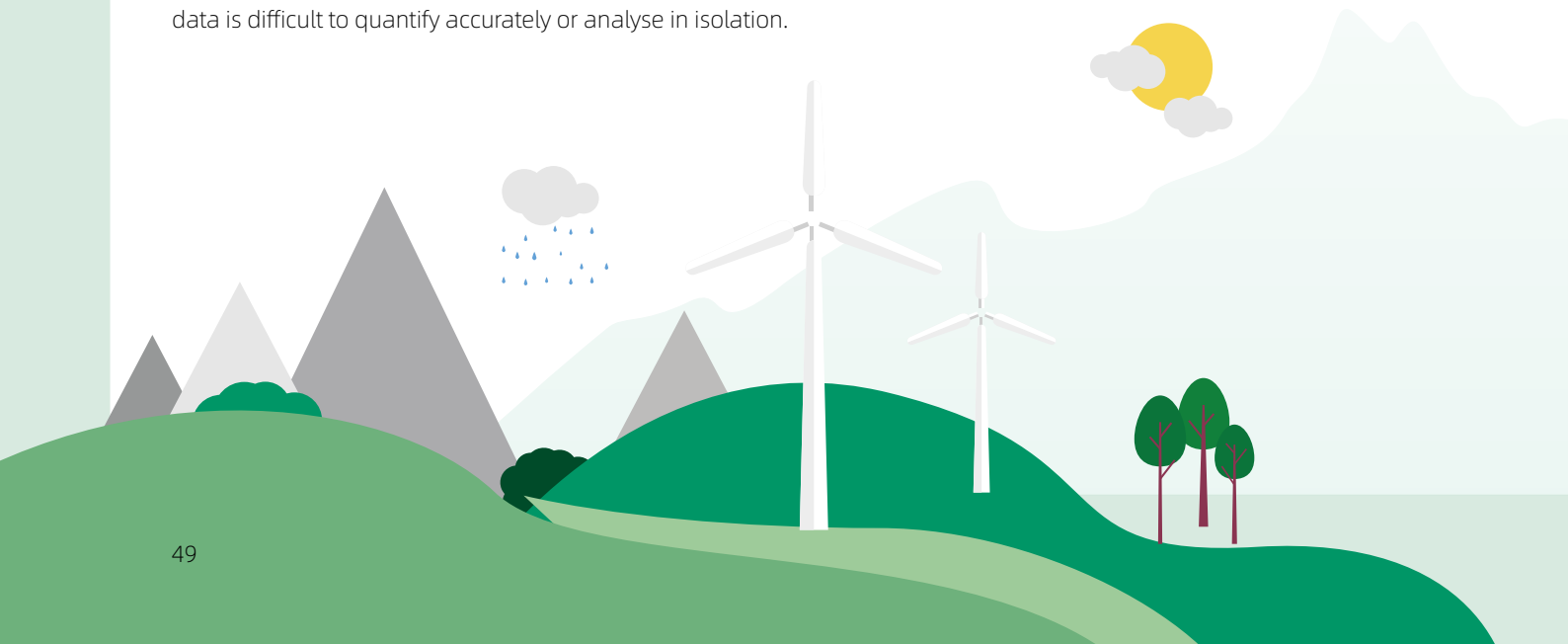
In terms of expenditure on addressing climate change, the Company proactively takes measures, invests funds to strengthen climate impact management, and identifies internal green R&D investment in accordance with standards such as the *Guiding Catalogue for Green and Low-Carbon Transition Industries (2024 Edition)*, the *Catalogue of Projects Supported by Green Bonds (2025 Edition)*, and the *Catalogue for the Promotion of Green Technologies (2024 Edition)*. In the future, the Company will continue to enhance its management system for climate-related expenditures and its internal standards for identifying green investments, further refining the indicators for recognising financial impacts from climate change.

In 2025, the Company's capitalised and expensed expenditures for addressing climate change are as follows:

Expenditure on Addressing Climate Change (Partial)	Capitalised Amount (RMB'0,000)	Expensed Amount (RMB'0,000)
Investment in Green Product R&D	734.93	20,003.71
Climate Emergency Management Expenditure	939.40	214.94
High-Temperature Allowance Expenditure for Employees	-	522.95

In addition, to address the risks of various natural disasters and extreme weather events that may be triggered by climate change, and to safeguard its business operations, the Company has insured relevant assets against climate-related risks, including property all-risks insurance and construction all-risks insurance, and has compiled statistics on climate insurance expenditure.

Regarding the anticipated financial impacts of climate change, the Company is not disclosing quantitative information for this reporting period because the transmission pathways of these impacts are complex and the corresponding data is difficult to quantify accurately or analyse in isolation.



Climate resilience analysis

Risk/ Opportunity Type ¹	Explanation of Scenario Selection	Analysis Methodology and Input Parameters	Key Assumptions	Time Horizons ²
Physical Risks	Based on the fifth and sixth assessment reports published by the Intergovernmental Panel on Climate Change (IPCC), Suntien selected Representative Concentration Pathways (RCPs) scenario data for simulating the impacts of climate risks. The analysis was conducted in conjunction with the corresponding Shared Socio-economic Pathways (SSPs) scenarios to assess the physical risks faced by Suntien from the baseline scenario to the forecast scenarios. Given that the frequency and intensity of extreme weather events may increase significantly under high-emission scenarios, we selected two medium- and high-emission scenarios, SSP2-4.5 and SSP5-8.5 ³ , for our analysis to evaluate the Company's potential physical risks and its climate adaptation capacity under extreme scenarios.	Considering the Company's business characteristics, asset types, and the climate risk sensitivity of its asset locations, we utilised scenario data and professional climate models to systematically assess the frequency and intensity of five key physical risks faced by each asset location. Suntien quantitatively scored the risks for each asset under different scenarios and time periods, and further calculated the asset risk exposure. This is defined as the proportion of the value of the Company's assets susceptible to climate risks relative to the total asset value of its natural gas and new energy projects, and it was used as a financial indicator for quantifying climate physical risks. Input parameters include location information, project information, and asset values for the Company's natural gas assets and new energy power generation project assets.	We examined the specific climate risks faced by the Company's assets under the disaster levels of various climate scenarios, assuming that internal factors such as the Company's main business, operating locations, asset scale, and risk response measures remain unchanged.	Short Term: Baseline Medium Term: 2030 Long Term: 2050

¹ In response to transition opportunities, Suntien has conducted quantitative analysis and assessment based on data from the IEA NZE and STEPS scenarios to evaluate the potential market opportunities for each business segment under different scenarios; however, as the assessment results involve the Company's strategic business planning and are considered sensitive commercial information, the details of the quantitative analysis of climate opportunities are not disclosed at this time. For a qualitative description of climate opportunities, please refer to the 'Climate Risk Response Strategy' subsection within this chapter.

² The baseline year for the transition risk scenario analysis is 2024.

³ The RCP-SSP coupled scenario framework is the most widely accepted standardised benchmark framework in the field of global climate change research and policy assessment, and it serves as a core benchmark commonly used by academia worldwide and for climate policy formulation by governments. The SSP2-4.5 scenario is based on the Socioeconomic Pathway SSP2, where future development continues current trends in many respects, progress in society, economy, and technology is moderate, and global efforts for climate change mitigation and adaptation are limited but show some progress; in this scenario, radiative forcing approaches 4.5 W/M² by 2100, with an estimated end-of-century temperature rise of 2.1 -3.5° C. The SSP5-8.5 scenario is based on the Socioeconomic Pathway SSP5, characterised by rapid global economic growth, strong reliance on fossil fuels for energy, low emission control efforts, and extreme pressure on the climate from changes in energy and land use; in this scenario, radiative forcing reaches 8.5 W/M² by 2100, making it one of the most extreme high-emission pathways, with an estimated end-of-century temperature rise of over 4° C. The underlying data sources for the climate scenario analysis in this Report are from international institutions, such as the world bank's global facility for disaster reduction and recovery, as well as hydrological and atmospheric models based on IPCC CMIP6.

Risk/ Opportunity Type ¹	Explanation of Scenario Selection	Analysis Methodology and Input Parameters	Key Assumptions	Time Horizons ²
Transition Risks	For the analysis of transition risks and opportunities, we selected two low- and medium-temperature-rise scenarios published by the International Energy Agency (IEA) to conduct a quantitative assessment: the Net Zero Emissions by 2050 Scenario (NZE) and the Stated Policies Scenario (STEPS)¹. These scenarios clearly depict the transition trajectory of the global energy system under different temperature rise targets, helping Suntien to position its role in the transition path, identify potential risks and development opportunities during the transition process, and strengthen the long-term resilience of its business.	Suntien focuses on the potential carbon cost risks that the Company will face under different temperature rise scenarios, providing a basis for its future carbon reduction strategies and resource allocation. We refer to the carbon emission reduction pathway outlined in China's 'dual carbon' goals and the latest Nationally Determined Contributions commitments, and combine this with carbon budget calculations to assess the Company's excess or surplus carbon emissions and the corresponding carbon reduction costs (or surpluses) and carbon value at risk. The analysis input parameters include the Company's carbon emission data and financial indicators related to its business scale. Based on this, future carbon emission scenarios were simulated, incorporating the settings of national key emission reduction milestones.	We assume that the Company's existing main business and production capacity remain stable. At the same time, we assume that the Company's emission reduction pathway will be consistent with China's 'dual carbon' goals and the latest Nationally Determined Contributions commitment to 'reduce net greenhouse gas emissions across China's entire economy by 7%-10% from the peak by 2035'.	Short Term: 2026–2030 Medium Term: 2031–2035 Long Term: 2036–2060

¹ The NZE (Net Zero Emissions by 2050 Scenario) and STEPS (Stated Policies Scenario) are two core coupled climate-energy scenarios released by the International Energy Agency (IEA), serving as highly accepted standardised benchmark analysis tools in the fields of global energy transition, climate policy formulation, and corporate climate risk analysis. The IEA NZE scenario illustrates a feasible pathway for the global energy system to achieve net zero carbon dioxide emissions by 2050, primarily relying on emission reductions from the energy sector without assuming contributions from other economic sectors; this scenario projects an end-of-century temperature rise of less than 1.5° C. The IEA STEPS scenario is based on a detailed analysis of specific current policies and officially announced policy measures in countries around the world, with its core logic not considering any new policy interventions or potential future directions for the energy system; this scenario projects an end-of-century temperature rise of approximately 2.4° C.

Physical Risk Analysis

Suntien's physical risk scenario analysis covers the assets at the operating sites of the Company's natural gas and new energy power generation projects. These assets are primarily located in 15 provincial-level administrative regions, including Hebei Province, Tianjin Municipality, Shaanxi Province, Guangxi Zhuang Autonomous Region, Jiangsu Province, and Shanxi Province. The assessment results for asset risk exposure show that extreme precipitation and tropical cyclones are the main types of physical risks that pose a higher risk to the enterprise.

Under the SSP5-8.5 scenario, the frequency and intensity of tropical cyclone risks increase. Compared to the baseline year, Suntien's asset risk exposure shows a significant trend of escalating from low risk to medium-to-high risk by 2050. The risks are mainly concentrated in LNG receiving stations and offshore wind power projects in coastal areas, indicating that Suntien needs to strengthen its prevention measures against typhoons and storm surges for its coastal and offshore assets in the long term. Regarding extreme precipitation, the high-risk asset exposure shows a doubling trend overall in the medium and long term. Specifically, under the SSP5-8.5 scenario, the high-risk asset exposure for extreme precipitation expands in 2030. This is primarily because many of the Company's assets are located in the North China region, which is affected by the monsoon climate in summer, leading to frequent and increasingly intense rainstorms. By 2050, under both the SSP2-4.5 and SSP5-8.5 scenarios, the high-risk exposure to extreme precipitation may rise further, indicating that the Company needs to enhance its flood resilience and improve flood control, drainage measures, and monitoring and early warning mechanisms.

The risk assessment of wind resource availability focuses only on wind power projects. Although the change in asset risk exposure tends to be stable in the baseline and future scenarios, some wind power assets are located in medium-to-high-risk areas under both the SSP2-4.5 and SSP5-8.5 scenarios. Based on these results, the Company must strengthen its wind power forecasting and monitoring capabilities, adapt its site selection, layout, and turbine model selection to wind environment conditions, and actively respond to the volatility of wind resources. Low-temperature risks and landslides are secondary risks with a smaller impact on the enterprise. Regarding low-temperature risks, over 95% of Suntien's assets are in low-risk areas in the analysis across different scenarios and years, indicating that the Company's low-temperature risks are relatively manageable. As for landslides, Suntien's main assets are also all located in low-risk or no-risk areas.

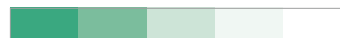
Suntien's asset risk exposure

Risk Category	Risk Name	Baseline					2030					2050				
		Scenario	High Risk	Medium Risk	Low Risk	No Risk	Scenario	High Risk	Medium Risk	Low Risk	No Risk	Scenario	High Risk	Medium Risk	Low Risk	No Risk
Acute Risks	Tropical Cyclones ¹	Baseline					SSP2-4.5					SSP2-4.5				
							SSP5-8.5					SSP5-8.5				
	Extreme Precipitation						SSP2-4.5					SSP2-4.5				
							SSP5-8.5					SSP5-8.5				
	Landslides						SSP2-4.5					SSP2-4.5				
							SSP5-8.5					SSP5-8.5				
Chronic Risks	Availability of Wind Resources ²						SSP2-4.5					SSP2-4.5				
							SSP5-8.5					SSP5-8.5				
	Low-Temperature Risk						SSP2-4.5					SSP2-4.5				
							SSP5-8.5					SSP5-8.5				

High risk exposure

No risk exposure

High risk exposure



No risk exposure

¹ The underlying data models from some institutions for tropical cyclones and landslides are incomplete, which limits further analysis. Therefore, only the risk exposure under partial scenarios is currently analysed.

² The availability of wind resources is assessed only for wind power assets. Natural gas and photovoltaic assets are not subject to this risk, so the sum of risk exposure percentages under each scenario does not equal 100%.

Transition Risk Analysis

The analysis results show that under different climate transition assumptions, Suntien's overall transition risk level remains within a manageable range. External carbon price pressure has not had a substantial negative impact on the enterprise's financial performance and may, in fact, be converted into carbon reduction benefits. Under the NZE scenario, the Company will generate a relatively significant carbon budget surplus in the short and medium term of the transition. During this period, the Company's transition risk CVaR¹ is approximately 0.54% to 0.57%, reflecting that in the early stages of accelerated policy implementation, the corresponding emissions pathway has not yet been impacted by the transition risks of potential carbon market expansion. In comparison, under the STEPS scenario for the same period, the Company's transition risk CVaR is between 0.25% and 0.27%, indicating that the Company has a relatively low financial sensitivity to changes in external carbon emission policies under a medium emissions pathway.

In the long term, if the Company's emission reduction pathway continues to advance and gradually aligns with the national 'dual carbon' goals, Suntien's transition risks will further converge and decrease, transforming into opportunities for carbon-related revenue. Under the NZE scenario, the Company's theoretical emission reduction pathway is highly aligned with the scenario's carbon emission pathway, resulting in no additional reduction requirements by 2060, and the Carbon Value at Risk approaches zero. Under the STEPS scenario, the Company will maintain a certain carbon budget surplus by 2060, resulting in higher overall potential carbon-related revenue. Overall, under the corresponding transition scenarios, if the Company proactively sets its emission reduction pathway and combines it with diverse clean energy practices and explorations in digital and intelligent operations, it will help mitigate the uncertainties brought by future policy tightening and further lay the foundation for expanding its carbon cost-benefit opportunities in the context of a low-carbon transition.

¹ Transition risk CVaR: Also known as Carbon Value at Risk, this metric is used to estimate the ratio of costs incurred by an enterprise due to carbon pricing to its enterprise value within a specific timeframe.



Green and Low-Carbon Operations

The Company has always upheld a green and low-carbon development philosophy. It continuously enhances its *Administrative Measures for Energy Conservation and Emission Reduction* and, driven by the twin engines of technological innovation and low-carbon operations, simultaneously optimises its energy structure, reduces energy consumption, and significantly improves energy efficiency, laying a solid foundation for sustainable development.

Energy Conservation and Efficiency Enhancement Measures

Technological Innovation

- Suntien plans to utilise the idle rooftops of its booster stations to construct distributed photovoltaic systems, aiming to reduce the electricity costs of its sites.
- The Caofeidian Company has innovatively integrated resources such as warm (waste) seawater, LNG cold energy, solar energy, domestic sewage, and rainwater to build a green and low-carbon energy system. This can save operating costs and effectively reduce carbon emissions, providing a replicable technological upgrade path to promote the green development of the industry.

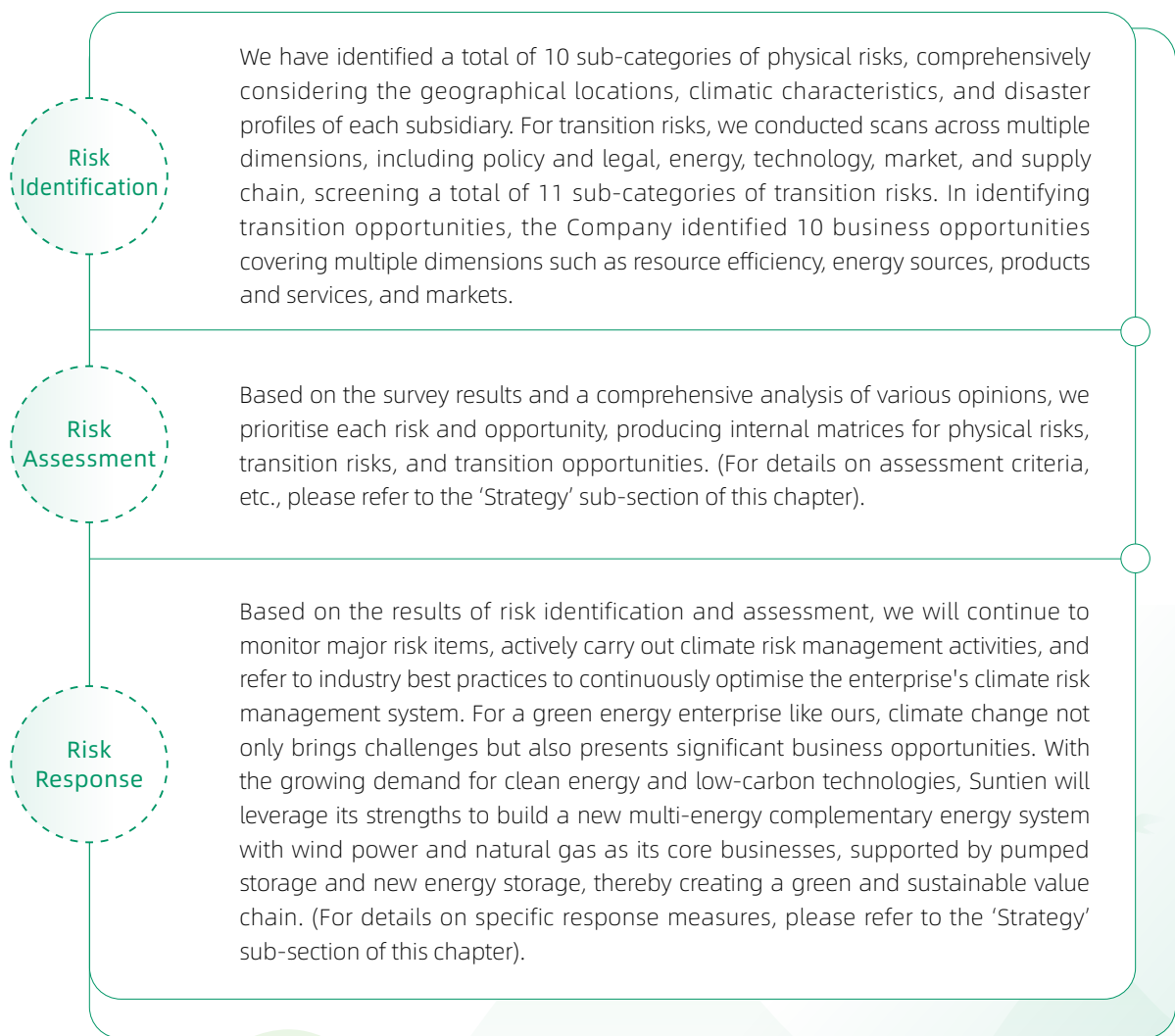
Low-Carbon Operations

- Suntien headquarters provides transport subsidies in accordance with the *Administrative Measures for the Issuance of Official Transport Subsidies*, encouraging employees to use public transport and opt for low-carbon travel.
- Qinhuangdao Offshore Wind has developed a green building, with its comprehensive operations and maintenance building meeting multiple energy-saving building standards, including the *Design Standard for Energy Efficiency of Public Buildings*.



Risk Management

Suntien attaches great importance to climate risk management, integrating climate risk factors into the Company’s comprehensive risk management framework. The Board of Directors, Audit Committee, and President’s Office Meeting serve as the highest leading and responsible body, the specialised leading body, and the day-to-day leading body for risk management, respectively, with the Audit and Legal Department acting as the daily working body for risk management. In addition, to effectively respond to climate-related risks, we have established a closed-loop management process of ‘risk identification-risk assessment-risk response’.



Climate Emergency Management

To prevent, avoid, or reduce risks at the source, the Company has formulated targeted responses and solutions based on business risk scenarios, such as the *Specialised Emergency Plan for Natural Disasters* and the *Management Measures for the Safety of Engineering Construction*. We have established comprehensive processes for risk identification, hazard investigation, and emergency management to ensure equipment safety and stable production operations in areas such as supply assurance during heavy rain, snow, and severe cold; flood prevention for long-distance natural gas pipelines; and flood control for power facilities in mountainous regions.

Case : XTKC's Xinwei wind farm successfully mitigates extreme storm risk

On 10 April 2025, in response to an early warning of an extreme storm with winds exceeding force 12 in the Zhangjiakou area, XTKC's Xinwei wind farm responded swiftly, immediately activating a specialised emergency plan. This plan clarified emergency response procedures and the division of responsibilities, and the entire staff was organised to conduct emergency drills. Before the extreme weather arrived, the wind farm completed a comprehensive inspection of all equipment, including specialised checks on the reliability of wind turbine blades, main equipment at the booster station, and backup power supplies, while taking measures such as pre-emptively and manually shutting down high-risk units for protection. By establishing a full-chain risk defence mechanism encompassing 'early warning-inspection-on-duty monitoring', the farm successfully ensured the safety and stable operation of its assets.



Extreme weather inspection at Xinwei Wind Farm

Risk identification

Hazard investigation

Emergency management

Indicators and Targets

Progress on Energy Use Indicators and Targets

In 2025, the annual target for the comprehensive energy consumption per RMB 10,000 of value added for the Hebei Natural Gas was 18.7 kgce/RMB 10,000. As of the end of December, the comprehensive energy consumption per RMB 10,000 of value added for the Hebei Natural Gas was 20.83 kgce/RMB 10,000, which did not meet the annual energy conservation and emission reduction target. This was primarily due to a concentration of projects under construction during the year, leading to a significant increase in energy consumption for commissioning and operational support, coupled with increased investment in equipment maintenance and safety assurance. This is considered a normal cyclical fluctuation for a heavy-asset industry and is not related to the company's long-term operational efficiency. The Hebei Natural Gas has continued to advance energy-saving operational optimisation, and related indicators are expected to gradually improve.

Suntien's energy consumption, 2023–2025

Energy Type	Unit	2025	2024	2023
Purchased Electricity	Kilowatt Hours	116,676,241.62	106,075,249.2	54,718,085.66
Petrol	Litres	1,831,565.46	2,487,069	671,092.71
Diesel	Litres	40,533.00	41,525.51	35,859.63
Natural Gas	Cubic Metres	2,481,777.02	472,860.8	216,008.51
Liquefied Petroleum Gas	Cubic Metres	2,823.40	9,410.12	9,458.30
Energy Consumption per RMB 10,000 of Revenue	Tonnes of Standard Coal Equivalent per RMB 10,000	0.0098	0.0078	0.0040
Total Greenhouse Gas Emissions per RMB 10,000 of Revenue	tCO ₂ e per RMB 10,000	0.0362	0.0299	0.0172

Greenhouse Gas Emissions

To effectively address climate change, the Company continuously tracks and monitors its emissions and uses quantitative indicators to manage the progress of its climate actions.

Suntien's greenhouse gas emissions, 2023–2025¹

Indicator	Unit	2025	2024	2023
Total Greenhouse Gas Emissions ²	tCO ₂ e	71,744.62	63,952.22	34,891.66
Scope 1 Greenhouse Gas Emissions	tCO ₂ e	9,836.20	7,089.61	2,107.21
Scope 2 Greenhouse Gas Emissions	tCO ₂ e	61,908.41	56,919.98	32,784.45

¹The Company's greenhouse gas accounting is conducted in accordance with the *GHG Protocol Corporate Accounting and Reporting Standard*, with emission factors referenced from technical documents such as the *Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions for Other Industrial Enterprises*, the *IPCC Sixth Assessment Report*, and the *Announcement on the Release of the 2023 Carbon Dioxide Emission Factors for Electricity* issued by the Ministry of Ecology and Environment.

²The Company is gradually researching activity data and accounting methods for Scope 3 greenhouse gas emissions and will, in accordance with regulatory requirements and business development, advance the calculation and disclosure of Scope 3 emissions at an appropriate time to continuously improve its greenhouse gas management system and enhance the completeness and transparency of its environmental information disclosure.

Environmental Compliance Management

Suntien deeply practises the philosophy of ‘ecology first, green development’, fully undertaking its primary responsibility for ecological and environmental protection. The Company integrates green and environmental requirements throughout the entire life cycle of its projects, from investment and construction to operation, and is committed to achieving a dual enhancement of both economic and ecological benefits.

Environmental Management System

Suntien strictly adheres to ecological and environmental policies, laws, and regulations such as the *Environmental Protection Law of the People’s Republic of China*, and has established an environmental management system that includes policies such as the *Administrative Measures for Ecological and Environmental Protection*, the *Risk Assessment Report for Sudden Environmental Incidents*, the *Environmental Emergency Resource Investigation Report*, and the *Emergency Response Plan for Sudden Environmental Incidents*. During the reporting period, 18 management units within the Company’s system conducted cross-functional internal audits of the HSE management system, supervising and inspecting over twenty areas including energy conservation and emission reduction, ecological and environmental protection training, and emergency response capacity building, thereby effectively enhancing the Company’s management standards.

To improve its ecological and environmental responsibility system, Suntien incorporates ecological protection work into its annual work plan. The Company also signs annual energy conservation and environmental protection target responsibility agreements with each management unit, strictly supervising them in accordance with the terms of these agreements. Core environmental indicators and tasks, such as pollutant reduction, hazardous waste management, and dual control of energy consumption, are integrated into the performance evaluation system for management units. This fosters a working mechanism of ‘leadership coordination, departmental collaboration, and full employee participation’, effectively promoting the orderly progress of ecological and environmental management.



During the reporting period

RMB **10,373,700**

The total investment in environmental protection amounted to

with all relevant targets being exceeded.

During the reporting period

During the reporting period, neither Suntien nor its subsidiary enterprises experienced any general or more severe sudden environmental incidents, nor were they subject to any enforcement notices for rectification or administrative penalties from ecological and environmental departments.

Environmental Risk Control

The Company places great importance on environmental risk control, establishing a clear policy that the ‘red line of ecological and environmental protection must not be crossed’ and strictly implementing all environmental regulations and standards. During the reporting period, all enterprises within the system established a risk control defence line extending from source access to end-of-pipe remediation, ensuring that project-related environmental risks remain controllable and under control.

Environmental Risk Control Process Flow Chart



Environmental Protection Education and Promotion

The Company thoroughly implements Xi Jinping's thought on ecological civilisation and actively practises the concept that 'Lucid waters and lush mountains are invaluable assets', promoting the regular and long-term development of environmental protection publicity and education.

During the reporting period, the Company took the opportunity of World Environment Day and the Energy Conservation Publicity Week to launch themed activities such as 'I am a builder of beautiful China' and 'End Plastic Pollution'. By organising screenings of environmental documentary videos, displaying posters, distributing manuals, and integrating practical actions like green plant maintenance and waste clean-up in production and living areas, the Company deepened environmental awareness among all employees. This year, a total of over 426 promotional materials were produced, and environmental publicity and education reached more than 20,000 people.

Case: Green office initiative series

- Paper recycling: Recycling bins have been set up in printing areas. Single-sided paper with no confidential risk is sorted weekly and stored on recycling racks for secondary printing of internal drafts and other non-confidential documents.
- Water-saving signs: Water conservation signs are displayed in all water-use areas, including washbasins and pantries.
- Electricity-saving control: Lighting layouts were optimised by removing redundant spotlights and prioritising natural light. A 'three-shutdown' procedure (shut down computer, monitor, and power supply) is promoted after work, with daily patrols and reminders to eliminate lights being left on and devices on long-term standby.
- Energy-saving equipment: Old, high-energy-consumption printers in the office area have been phased out and replaced with Level 1 energy-efficient printers and green, energy-saving multifunction machines.



Water and energy saving signs

Case: 'Protect the Yangtze and its clean green waters' Lei Feng-themed event

On 5 March, Suntien's Jiangsu Region organised the 'Suntien Volunteer Team' to carry out ecological restoration activities at Nanjing's Lushuixi Bay Wetland Park and Yuzui Wetland Park. Volunteers overcame the challenges of complex wetland terrain and deep silt to conduct a comprehensive clean-up along a 5.6-kilometre stretch of the riverbank. The activity removed a total of 3.6 kilograms of non-degradable waste, including plastic bottles, packaging bags, cigarette butts, and old fishing nets, which pose a serious threat to the safety of aquatic life in the Yangtze River. This was a practical action to protect the Yangtze wetland ecosystem.



Suntien volunteers at the 'Protect the Yangtze and its clean green waters' event

Efficient Resource Utilisation and Pollution Prevention

Suntien regards compliance with environmental laws and regulations as a cornerstone of sustainable development, comprehensively managing resource consumption and pollutant emissions throughout its production, operations, and project construction processes. By strengthening process monitoring and implementing treatment requirements, the Company is committed to effectively controlling and reducing the environmental impact of all its activities while ensuring stable business operations, rational and efficient resource use, and compliant pollutant emissions.

Water Resource Utilisation and Wastewater Management

In accordance with laws, regulations, and standards such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Marine Environmental Protection Law of the People's Republic of China*, and the *Integrated Wastewater Discharge Standard*, Suntien prioritises the rational use of water resources and continuously optimises its water resource management. During the reporting period, the head office and all subsidiary enterprises implemented various measures in daily operations, project construction, and other areas, which significantly improved water use efficiency. They also strictly treated and discharged wastewater in accordance with national regulations to mitigate its potential environmental impact.

Key Initiatives

Daily Water Management

Water use inspections

Regular inspections of water pipes, taps, and other water-using equipment are conducted to ensure that leaks, drips, and overflows are promptly identified and addressed, reducing water waste at the source.

Water use monitoring

Monthly water consumption data is compiled. Any abnormal fluctuations are investigated to trace their cause, and timely measures are taken to ensure the rational use of water resources.

Construction Wastewater Treatment

Recycling and reuse

Wastewater resource management is promoted. Water used for washing concrete mixers is treated in sedimentation tanks and then recycled. Wastewater from washing facilities is used on-site for dust suppression or green irrigation, achieving zero discharge at the source.

Compliant discharge

Pollutant pre-treatment measures are implemented. Oily wastewater from machinery maintenance and canteens is pre-treated in oil separation tanks. Wastewater from cleaning oily machinery and floors, as well as waste liquids like cement and lime mortar, are discharged only after undergoing strict, standardised disposal and completing pipeline pressure tests.

Suntien's water resource management performance in 2025

146,993.15 Cubic Meters

Total Water Consumption

Pollutant and Waste Management

The Company integrates pollutant and waste management into its key operational management, strictly abiding by laws and regulations such as the *Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *National Catalogue of Hazardous Waste*. It actively reduces emissions of air pollutants and solid waste, strives for their compliant treatment and sustainable utilisation, and aims to create a green and efficient production and operational model.

Exhaust Gas Management and Emission Reduction

The Company’s exhaust gas emissions primarily originate from the construction and operational phases of its natural gas projects and can be categorised into two main types: construction dust, and combustion and process exhaust gases. Dust mainly stems from processes such as earthwork excavation and backfilling, and the stockpiling and transportation of building materials, while combustion and process exhaust gases are generated by construction machinery and vehicle emissions, welding and painting operations, and energy combustion during the operational phase. To address these emissions, the Company strictly regulates construction work and energy use to ensure compliance with emission standards such as the *Integrated Emission Standard of Air Pollutants* (GB 16297-1996).

Dust

The Company strictly requires general contractors to standardise their operations by covering powdery materials such as earth and sand during stockpiling and transportation to reduce wind exposure, complemented by road watering and the installation of protective fencing. Additionally, welding processes are equipped with fume collection devices to reduce welding fume emissions.

For monitoring and early warning, a continuous Total Suspended Particulate (TSP) monitoring system has been installed and connected to a network for management. During periods of heavy air pollution, the Company strictly adheres to the warning requirements issued by ecological and environmental authorities and enhances dust suppression measures.

Gaseous Pollutants

In terms of process control, the management of volatile organic compounds (VOCs) is strengthened, with volatile materials such as paint stored in sealed containers. Furthermore, vehicle dispatching is optimised to reduce exhaust emissions from construction vehicles.

Construct gas-fired power stations to replace decentralised regional coal-fired boilers in the region, thereby reducing emissions of air pollutants.

Suntien’s exhaust gas emissions, 2023-2025

Indicator	Unit	2025	2024	2023
Sulphur Oxide Emissions	Kg	28.63	37.23	10.44
Nitrogen Oxide Emissions	Kg	11,564.93	14,191.81	5,314.12
Particulate Matter Emissions	Kg	1,046.07	1,360.38	509.19

Waste Management and Reduction

During the reporting period, the Company adhered to the principles of ‘centralised management, prioritised reuse, and regular disposal’ and, according to its specific circumstances, revised management standards such as the *Administrative Measures for the Disposal of Production-related Waste Materials* to ensure that specifications and guidance are provided for solid waste disposal and reduction based on strict compliance with environmental protection laws and regulations.

We implement sorted collection and detailed management of general waste generated during operations and construction—such as non-hazardous construction waste, earth, packaging materials, and domestic waste—to reduce its discharge. The Company maximises resource recycling, prioritising the screening of construction waste for use in on-site road construction, while also managing the recovery of other valuable spoil and waste materials. Furthermore, we collect domestic waste from daily life and production activities centrally and contact sanitation departments regularly to clear it or transport it to designated sanitary landfills for disposal, with strict covering measures implemented during transport to prevent spillage and environmental pollution en route.

For hazardous waste, the Company follows the *Hazardous Waste Disposal Plan* and relies on its hazardous waste emergency team and dedicated hazardous waste storage room to implement a management process of ‘collection-storage-transportation-disposal’. For the disposal of used batteries, obsolete devices, and waste engine oil, we regularly commission qualified third-party units to carry out compliant disposal and also engage third-party organisations to conduct periodic inspections. Additionally, for the small amount of waste residue generated from pipeline pigging and separator maintenance, we use sealed drainage tanks for collection and off-site transport, followed by standardised disposal at designated locations to prevent the leakage of harmful substances. The Company will continue to improve its emergency response plan for hazardous waste treatment to ensure a rapid response in unexpected situations and to meet national safety and environmental requirements.



Suntien’s solid waste generation, 2023-2025

Indicator	Unit	2025	2024	2023
Non-Hazardous Waste	Tonnes	30.64	49.14	278.31
Hazardous Waste	Tonnes	125.50	103.3	16.39
Waste Oil, Waste Liquid, and Waste Hydrocarbons	Tonnes	33.11	45.63	43.64
Other Hazardous Waste	Tonnes	75.39	39.90	1.10
Non-Hazardous Waste Intensity	Tonnes/RMB 10,000	0.00001545	0.00002312	0.0001372
Hazardous Waste Intensity	Tonnes/RMB 10,000	0.00006329	0.00008835	0.00003014

Biodiversity Conservation

Suntien has always attached great importance to biodiversity conservation, recognising that the prudent planning, design, construction, and operational management of our natural gas pipelines and wind farms, which are distributed across various ecological environments, are crucial for mitigating adverse impacts on biodiversity. We are committed to contributing to national biodiversity conservation efforts through scientific management and innovative practices.

Biodiversity Management System

Suntien actively responds to initiatives such as the United Nations' *Convention on Biological Diversity* and strictly adheres to regulations including the *Environmental Protection Law of the People's Republic of China* and the *Regulations on the Environmental Protection Management of Construction Projects*. By enacting a series of internal management standards, such as the *Measures for the Management of Ecological and Environmental Protection*, the *Measures for the Management of Ecological and Environmental Protection for New Energy Company*, and the *Measures for the Management of Water and Soil Conservation in Engineering Construction*, we have established a comprehensive institutional framework that provides robust support for the Company's biodiversity conservation practices.

We have established a management structure centred on the leading group for ecological and environmental protection, which is chaired by the Company's President. This leading group is responsible for approving the ecological and environmental protection management system, coordinating the resolution of major environmental issues, and implementing relevant policies. Concurrently, we have appointed part-time environmental administrators in each management unit, creating a multi-layered chain of responsibility to ensure that biodiversity conservation objectives are precisely implemented in practice.

Suntien's biodiversity management structure



Leading group for ecological and environmental protection

Supervision and management

Overall coordination



Environmental protection administrator

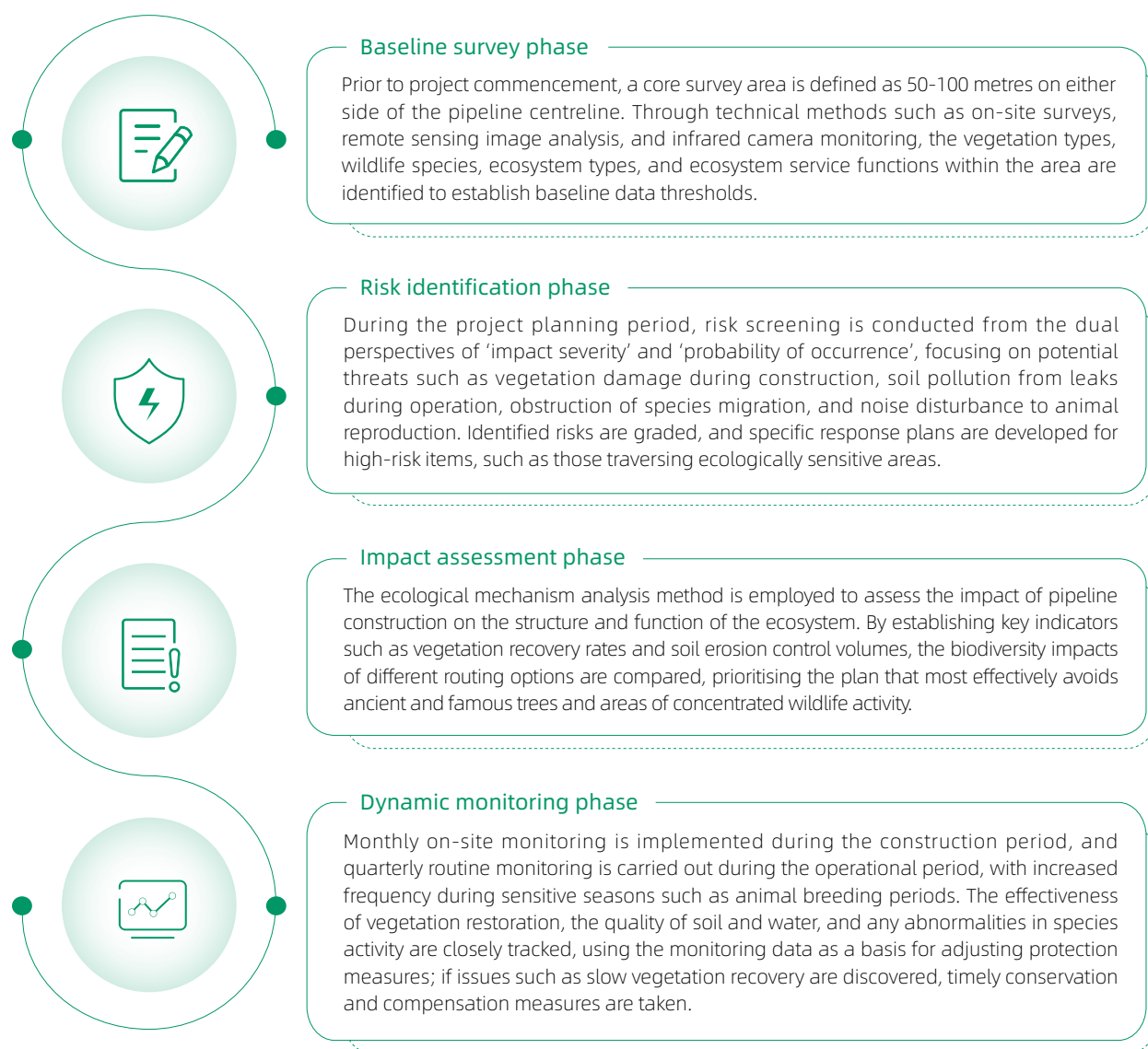
On-site inspections

Risk investigation

Biodiversity Impact Assessment

In compliance with the *Environmental Impact Assessment Law of the People's Republic of China* and our internal policies, Suntien has developed a biodiversity impact assessment system for the entire lifecycle of our natural gas pipeline construction, encompassing 'baseline surveys, risk identification, impact assessment, and dynamic monitoring'. This system covers all phases, from project site selection and construction to operation and subsequent restoration. A prime example is the Qinfeng Natural Gas Pipeline Project by Hebei Natural Gas, where we have used a scientific assessment process to accurately identify ecologically sensitive areas and high-risk activities, providing a scientific basis for developing targeted conservation measures.

Suntien's biodiversity impact assessment system



Biodiversity Conservation Measures

Based on the results of our biodiversity impact assessments, the Company implements comprehensive conservation actions during the engineering design, construction, and ecological restoration phases. These actions are designed to precisely control potential ecological and environmental risks associated with our projects, aiming to achieve a positive interaction between business development and ecological protection.

○ Proactive avoidance

During the route planning stage, we proactively avoid ecologically sensitive areas such as nature reserves and water source protection zones. For example, in the Chengde gas pipeline project, we adopted bridge-attached and overhead river-crossing methods to avoid riverbed excavation, thereby preventing water body disturbance and sediment suspension and effectively protecting aquatic habitats.

○ Impact minimisation

During construction, we adopt a 'construct and restore simultaneously' strategy. This includes optimising offshore construction techniques, shortening work periods, selecting low-noise equipment, using light sources cautiously during night-time construction, and implementing water and soil erosion control measures such as barriers, drainage, and sedimentation basins to effectively control ecological disturbances.

○ Active restoration

Upon completion of natural gas pipeline construction, we strictly implement landform restoration measures in accordance with relevant technical specifications. After passing inspection, we obtain certificates such as the 'Certificate of Qualification for Landform Restoration'. The relevant projects pay land reclamation deposits and forest vegetation restoration fees in full as required.

Case:Caofeidian Company's fishery stock enhancement and release initiative

From May to July 2025, to actively fulfil its ecological restoration responsibilities for the Tangshan LNG project and its external transmission pipeline project, Caofeidian Company conducted a fishery resource enhancement and release initiative in the waters of the Shuanglong River and Qinglong River estuaries. This initiative was carried out in three phases, involving a total of nine release operations, and cumulatively released over 185 million fry of species such as *Fenneropenaeus Chinensis*, *Takifugu Rubripes*, and *Paralichthys Olivaceus*. The release initiative was fully documented with complete procedures, and all fry passed on-site quality assessments by an expert panel. This action has effectively supplemented marine fishery resources, improved the biological community structure in the estuarine waters, and promoted the restoration and balance of the marine ecosystem.



Fishery stock enhancement and release initiative in action

03

Stable Energy Supply

Suntien has always regarded work safety and a stable energy supply as the cornerstones of its corporate operations. The Company continuously enhances its gas supply security capabilities by improving gas supply infrastructure, optimising pipeline network interconnectivity, and multi-source coordination mechanisms to ensure safe and stable operations during peak seasonal gas consumption. Building on this, Suntien simultaneously strengthens safety management and occupational health protection, enhances the safety literacy of all employees, and solidifies its foundation for safe operations. Supported by standardised quality management and efficient customer service, we guarantee the reliability of our energy supply and the quality of our services, providing a solid robust guarantee for economic and social development and livelihood needs.

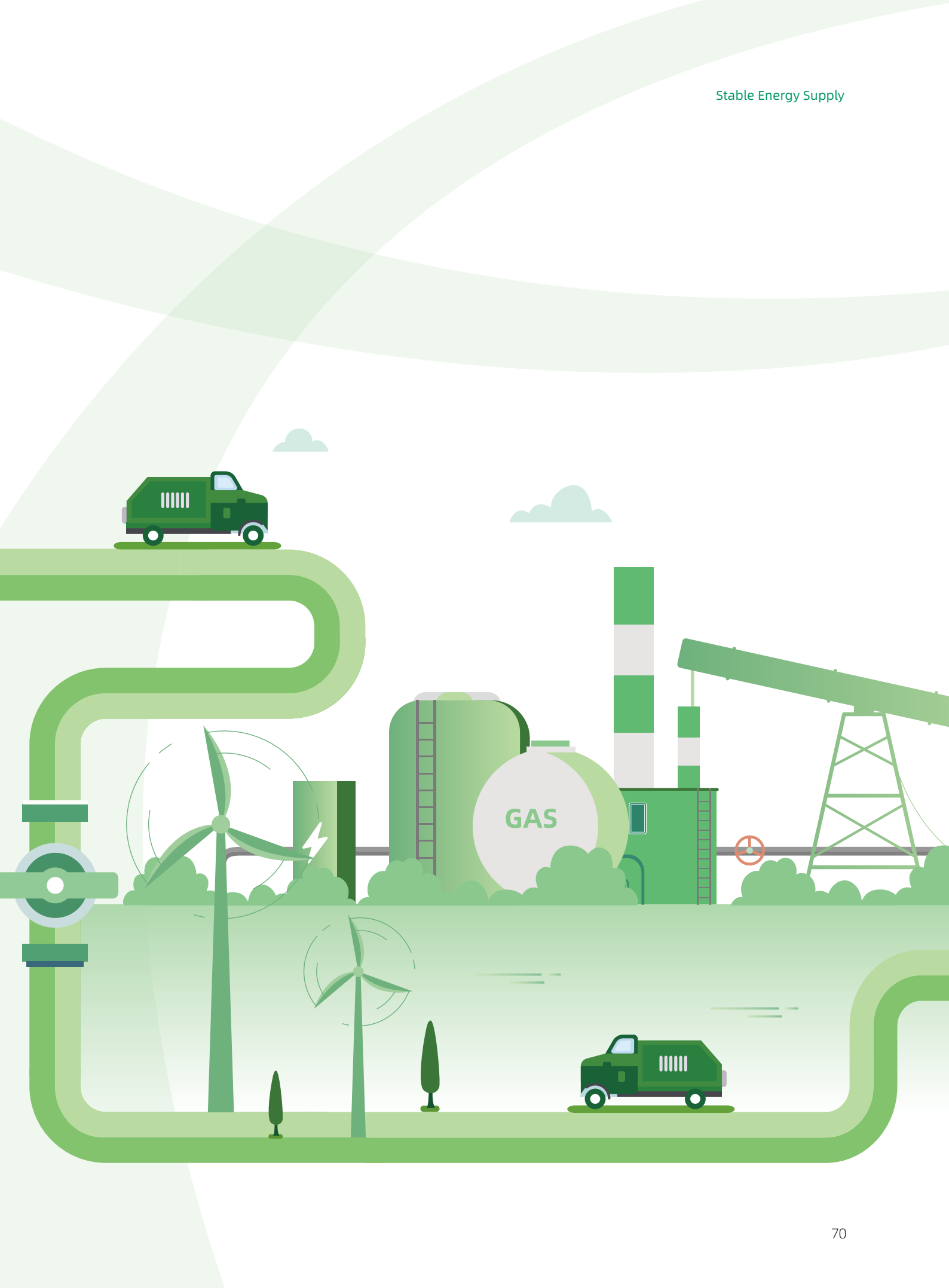


SDGs Covered in This Chapter:



Material issues covered in this chapter:

Occupational Health and Safety, Operational and Service Safety and Quality, Stable Energy Supply, Addressing Climate Change, Customer Service



Safety Management and Guarantee

In strict accordance with national laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, Suntien has established a systematic safety management system by refining its governance structure, defining its safety strategy, enhancing risk identification and control, and setting clear indicators and assessment targets. Through measures including standardised systems, accountability, training, and supervision, the Company ensures that its production operations are safe and reliable, its emergency response capabilities are robust, and its safety performance continues to improve, thereby safeguarding the long-term stable development of the enterprise.

Governance

The Work Safety Committee is the Company's highest deliberative and decision-making body for HSE management, chaired by the Company's President, with members comprising persons in charge and heads of functional departments. Its primary responsibilities include deliberating on and making decisions regarding major Work Safety matters, as well as guiding and supervising the daily safety and health management of all business segments. The Work Safety Committee holds quarterly meetings to summarise Work Safety achievements, sets requirements for the upcoming quarter, and organises Work Safety knowledge sessions and enhances work safety awareness. In 2025, the Work Safety Committee held four Work Safety meetings, integrating safety responsibilities into every aspect of production, operation, and engineering construction, which further enhanced the Company's level of Work Safety.

HSE management responsibilities at Suntien for each level in 2025

Work Safety Committee

- Implement national and industry policies, laws, regulations, and standards concerning Work Safety and occupational health, and execute the Company's internal related management systems;
- Formulate and review the Company's major policies and decisions on Work Safety, and coordinate guidance and resolution for major safety management issues within the system;
- Approve the Company's HSE goals, control indicators, and related work plans; review management plans for major risks and key environmental elements; and establish, supervise, and implement a company-wide responsibility system and performance assessment;
- Guide the development of Work Safety standardisation and safety culture, and organise the formulation and implementation of accident emergency response plans;
- Review incentive and restrictive measures for Work Safety, evaluate the effectiveness of annual Work Safety efforts, and deliberate and promote the resolution of major safety issues through Work Safety meetings.

Work Safety Committee Office/HSE Department

- Organise the formulation of HSE goals, control indicators, and corresponding work plans (schemes), and review management plans for significant or greater risks and key environmental elements;
- Supervise and inspect the completion of HSE goals and indicators by various departments and the implementation of related management plans, conduct regular evaluations of goals and indicators, prevent deviations, and take necessary corrective actions;
- Organise or participate in the development and implementation of the Company's Work Safety education and training plans, and maintain standardised records of these activities;
- Establish and refine a dual prevention mechanism for hierarchical safety risk control and hazard investigation and rectification, organise risk identification and assessment, and supervise the implementation of risk control measures and safety management requirements for major hazard installations;
- Supervise and inspect the implementation of the Company's Work Safety initiatives, propose improvements for safety management, and promote the timely rectification and elimination of work safety accident hazards.

Each Department

- Responsible for the progressive decomposition and implementation of the Company's HSE goals and indicators;
- Responsible for formulating and implementing management plans for major hazard installations and significant environmental elements within the department; establishing and improving the work safety responsibility system for departmental positions, and fulfilling departmental HSE performance assessment requirements.

The Company has established and implemented an HSE management performance assessment mechanism, integrating safety and environmental responsibilities into the performance evaluations of management units. This forms a restrictive assessment system linked to quarterly and annual targets. The assessment is carried out through cross-audits and verification, encouraging management units to benchmark and improve, thereby promoting the standardization of safety management and the effective implementation of primary responsibilities.

Strategy and Management Approach

Construction of Safety Management System

In 2025, Suntien adhered to the policy of ‘Safety First, Prevention Foremost, and Comprehensive Management’. Centred on the annual key objective of ‘Strengthening the Implementation of the All-Staff Work Safety Responsibility System’, the Company systematically advanced its occupational health and safety management. The Company strictly complies with relevant laws and regulations, such as the *Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases*. It has formulated, revised, and implemented numerous rules and regulations and related HSE documents, including the *Work Safety Responsibility System*, the *Occupational Health Management Measures*, and the *Accident Reporting and Investigation Measures*. This has established a systematic safety management framework covering all employees and business areas, further clarifying the responsibilities of each unit and enhancing internal management and supervision. By improving its responsibility system, optimising assessment mechanisms, solidifying its management foundation, and enhancing safety leadership, the Company continues to translate HSE management requirements from regulatory frameworks into actionable practices.

The Company continues to promote the systematic and institutionalised implementation of the work safety responsibility system for all employees. To enhance the responsibility framework, the Company has formulated a list of 44 work safety responsibilities for members of the leadership team and a list of 50 annual work tasks. This refines the leadership’s safety responsibilities from general principles into specific, quantifiable, and assessable items, solidifying the institutional basis for the all-staff work safety responsibility system. Building on this, the Company signed the 2025 work safety and ecological and environmental protection target responsibility agreements with 12 functional departments and 22 management units. This cascaded the Company’s overall HSE targets to each responsible entity, creating a safety responsibility network with clear duties, distinct levels, and comprehensive coverage. Concurrently, based on annual HSE internal audits, the Company prompts its system enterprises to continuously update and optimise their HSE system documents, further ensuring that the HSE management system documentation complies with relevant requirements.

In accordance with the *Occupational Health Management Measures*, the Company has established an occupational health management process that covers organisational management, training and education, risk prevention and control, and health monitoring. By appointing occupational health management personnel, conducting occupational health training, and implementing the ‘Three Simultaneous’ system for occupational disease prevention facilities in construction projects, we strengthen occupational health risk control from the source. We also lawfully declare occupational disease hazards, conduct regular hazard factor testing and evaluation, and truthfully inform employees of the results. For employees exposed to occupational hazards, the Company provides protective equipment, implements pre-employment, in-service, and post-employment health examinations, establishes health records, and improves accident reporting and emergency response mechanisms to safeguard their occupational health rights and interests.



Hazard Investigation and Emergency Drills

Hazard investigation, rectification, and emergency drills are crucial for enhancing the ability to respond to sudden incidents. The Company continuously identifies and eliminates various safety risks by establishing a systematic hazard investigation and rectification mechanism and an emergency drill system. Each unit conducts comprehensive hazard investigations through routine inspections, specialized inspections, and cross-audits, implementing corrective actions according to the 'Five Determinations' requirement. At the same time, tabletop exercises and field drills are organised regularly to continuously test the relevance and operability of emergency plans, thereby improving emergency response efficiency and handling capabilities.

Hazard Investigation

Suntien continues to enhance the institutional framework and standardised management of hazard investigations, promoting the standardised and normalized execution of related work. Guided by the *Work Plan for the Construction of the 'Four Repositories' for Safety and Environmental Management*, the Company has sorted and integrated the content of hazard investigations across its system. This has resulted in a repository of hazard investigation and inspection materials covering major business areas and positions, which clarifies the basis for inspections and judgement criteria. This unified approach to hazard investigation items and requirements supports subsidiaries in carrying out their hazard investigation and rectification work in a standardised manner. Within the Group's unified system and standard framework, each subsidiary develops, issues, and implements its own policies, such as the *2025 Special Work Plan for Improving the Quality of Hazard Investigation and Rectification* and the *Hazard Investigation and Rectification Management Measures*, based on their unique business characteristics to ensure the implementation of hazard investigation work. The core business segments of new energy and natural gas have strengthen the systematic and targeted nature of hazard investigations by establishing mechanisms such as tiered hazard identification, joint departmental inspections, and internal cross-audits.

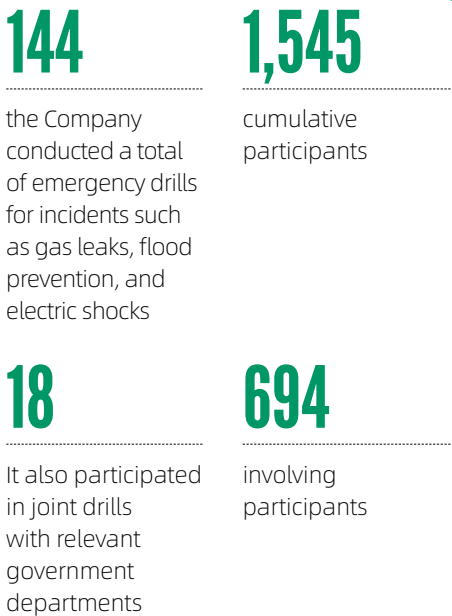
Emergency Drills

During the reporting period, Suntien issued several specific emergency response plans for sudden incidents, such as the Emergency Response Plan for Sudden Environmental Incidents. Focusing on key risk scenarios and critical positions, the Company continuously conducted emergency drills and specialised training. By combining tabletop exercises and field drills to test the applicability and operability of its emergency response plans, enhancing the practical capabilities of units at all levels in emergency response, on-site handling, and collaborative coordination.

In 2025, in response to the theme of Work Safety Month,



In 2025



Case: Wind turbine nacelle fire incident emergency drill

On 13 October 2025, the New Energy Company organised the ‘2025 Wind Turbine Nacelle Fire Incident Emergency Drill’ at the Guyuan Lianhuatan wind farm. The drill was closely centred on the high-risk scenario of a wind turbine nacelle fire, simulating the emergency response procedures following a sudden fire. It primarily tested the multi-level coordination mechanism among the New Energy Company, the regional Company, Suntien Technology Innovation Company, and the wind farms. The drill covered key stages, including emergency response activation, information reporting, on-site handling, and public opinion management, systematically evaluating the Company’s end-to-end emergency management capabilities. This practical drill effectively enhanced the Company’s ability to respond to complex and unknown risks and provided practical experience for further standardising on-site response plans at wind farms.



Wind turbine nacelle fire incident emergency drill

Case: Developing emergency response cards to improve the natural gas business emergency response system

To further standardise emergency management for work safety incidents and improve the standardization and efficiency of emergency response, the Natural Gas Company has reviewed and enhanced its emergency response system in line with its production and operational characteristics and specific job requirements. During the reporting period, focusing on the key aspects of emergency command and on-site handling, the Natural Gas Company developed standardised, concise, practical, and operable emergency response cards for various emergency functional units, including the emergency command headquarters, on-site command post, safety supervision team, logistics support team, technical support team, and customer service team. Through the promotion and application of these response cards, the Natural Gas Company has transformed emergency plan requirements into direct operational guidelines for front-line personnel. This has effectively improved the timeliness and standardisation of emergency responses, providing strong support for the rapid handling of incidents.



Example of an emergency response card from Hebei Natural Gas

Safety Culture Development

Suntien places great importance on Safety Culture Development. Guided by the goal of ‘Safety awareness is a shared responsibility, implementation is ensured at every level’, the Company continuously strengthens its safety education, training, and cultural guidance mechanisms. Through institutionalised training, cautionary education using case studies, and various activities, it encourages employees to internalise safety concepts into their daily conduct. During the reporting period, the Company continued to enrich the platforms for safety culture development, extending safety awareness to the front line and laying a solid ideological and cultural foundation for work safety management.



Case: Building a closed-loop mechanism for accident case study learning and training

During the reporting period, the Company’s headquarters Safety Department systematically integrated content from new employee induction training, annual refresher training, and specialised skills enhancement. This has gradually established a system of training materials and an assessment question bank covering different positions and levels, forming a closed-loop management mechanism of ‘training-assessment-certification-retraining’.

Focusing on cautionary education through accidents, the headquarters collected and compiled over 240 typical accident cases from sectors including new energy, clean energy, and hazardous chemicals. It also gathered video resources for 50 accident cases, creating a clearly categorised and intuitive accident case library. Leveraging this library, the Company promotes regular accident case study sessions across its system companies. Through targeted training, it strengthens the safety responsibility awareness of the ‘critical few’, continuously enhancing the safety knowledge and performance capabilities of middle and senior management.

Case: Hosting the 'Ankang Cup' safety knowledge competition to foster a safety culture of full participation

During the reporting period, Suntien successfully held the 2025 'Ankang Cup' Safety Knowledge Competition. The competition centred on work safety laws and regulations, company rules and systems, and key risk prevention and control points. Through a competitive format, it guided employees to apply safety knowledge in their learning, promoting the deep integration of safety concepts. The event featured multiple stages, including preliminary rounds, a final, and an online interactive quiz, attracting widespread participation from system companies. A total of 18 teams and 54 employees participated in the preliminary rounds, while over 240 employees took part in the online quiz. By promoting learning through competition and application through learning, the event further stimulated employees' enthusiasm for participating in safety management and learning, playing a positive role in enhancing safety culture and strengthening the foundation of work safety.



The 2025 'Ankang Cup' safety knowledge competition

Case: Holding safety workshops to enhance the safety capabilities of key positions

Focusing on the high-risk aspects of the natural gas business and capability building for key positions, the natural gas company held its 2025 safety workshop. The leader in charge from the natural gas company reviewed General Secretary Xi Jinping's important statements on work safety, in line with the theme of the annual Work Safety Month, and redeployed and re-emphasised key tasks such as pipeline life-cycle management, leak hazard investigation and remediation, and emergency response, drawing on typical accident cases.

During the workshop, various subsidiaries of the natural gas business engaged in discussions on topics including safety officer competency, long-distance pipeline management, team safety development, inspections of projects under construction, and non-residential user management. They also released educational videos on standard operating procedures for confined space work and LNG vehicle loading and unloading, providing clear guidance for standardising on-site operations. Through these exchanges and sharing of practical experience, the safety responsibility awareness and professional capabilities of personnel in key positions were further enhanced.



The 2025 safety workshop of Hebei Natural Gas

Risk Management

Considering the production and operational characteristics of the industry and the practicalities of its multi-business segment operations, the Company integrates occupational health and safety risk management into the entire production and business process. It has established a systematic risk management mechanism centred on risk identification, tiered control, risk response, and internal and external audits to continuously prevent work safety accidents and occupational health incidents.

Business Segment Safety Risks

Currently, the Company has systematically identified key risks such as natural gas leaks, damage from third-party construction, equipment ageing, technical modification works, hazardous operations, and the operation of new energy equipment, and implements differentiated management according to the principle of tiered risk control.

HECIC New Energy

Drawing on practical experience, HECIC New Energy has led the development and publication of the group standard, *General Requirements for Hierarchical Control of Safety Risks in Wind Turbine Generators*. This standard divides wind turbine units into multiple risk units and formulates targeted control measures from various dimensions, including engineering technology and operational management. The effectiveness of these risk controls is continuously verified and optimised through online monitoring, regular inspections, and equipment defect rectification, promoting the standardisation and normalisation of safety risk control.

Hebei Natural Gas

Leveraging its intelligent safety management system, Hebei Natural Gas has built a comprehensive safety management framework covering the entire process of risk identification, hazardous operation control, hazard investigation and rectification, education and training, and emergency management, thereby achieving dynamic risk assessment and closed-loop rectification management. During the reporting period, Hebei Natural Gas focused on key initiatives such as the 'Three-Year Action Plan for Fundamental Improvement' and the routine investigation and remediation of gas safety issues, concentrating on high-risk areas and critical periods to conduct special inspections and internal safety audits, achieving full coverage in safety checks. It has developed a systematic operational control framework, forming a comprehensive supervision mechanism of 'access, selection, use, and evaluation' that encompasses risk identification and analysis, on-site supervision, special inspections of hazardous operations, emergency response plan management, and joint drills to ensure that personnel in frontline construction and production operations strictly adhere to safety regulations. For critical links and major hazard installations, it implements tiered and classified management, supported by online monitoring, automated control, and remote surveillance systems, and continuously improves its emergency response capabilities through emergency plan filing, drills, and assessment mechanisms, ensuring that production and operations are safe, stable, and controllable.

Occupational Health Risks

The Company continues to refine its management measures concerning the identification of occupational disease hazards and the protection of employee health. For units involved in operations with occupational disease hazards, the Company assigns dedicated occupational health management personnel and regularly commissions qualified third-party institutions to conduct tests for occupational disease hazard factors. The results and prevention measures are communicated to employees via notice boards and display panels. Additionally, the Company organises pre-employment, in-service, and post-employment occupational health check-ups for employees in relevant positions, provides them with necessary personal protective equipment, and continuously tracks the implementation of occupational health management measures through internal safety audits and special inspections.

Occupational Health and Safety Risk Audits

Building on the aforementioned risk management processes and response measures, the Company has innovated its internal occupational health and safety audit mechanism by establishing a cross-departmental joint review team to systematically conduct comprehensive internal safety audits, monitoring and evaluating the implementation and effectiveness of relevant management measures from a professional perspective. In addition, we have innovatively implemented a cross-audit mechanism for internal safety management personnel, forming a cross-audit team by selecting HSE auditors from across our system of companies to conduct internal system audits for each management unit. Through this closed-loop management of internal audits and rectifications, the Company continuously enhances the operational effectiveness of its HSE management system and promotes the exchange of experience and capacity building among management units.



Hebei Natural Gas refines internal safety audits to create a closed-loop management system

In 2025, Hebei Natural Gas coordinated the efforts of various professional departments to optimise and refine the content of its internal audits in accordance with relevant laws, regulations, standards, and systems. The internal audits covered **9** key areas, including basic safety management, gas operations, and engineering construction, encompassing **143** inspection items and **440** specific inspection points. A total of **687** safety hazards were identified, of which **592** have been rectified. The remaining **95** have been incorporated into a rectification plan and are being tracked for implementation, creating a closed-loop management system for hazards.

Indicators and Targets

Focusing on the prevention and control of work safety accidents, the Company has set work safety targets centred on accident prevention, compliant operations, and responsibility implementation. These targets are driven through an annual target management and performance appraisal mechanism.

In 2025, the Company signed work safety responsibility agreements with functional departments and management units, cascading safety targets to all levels to reinforce the implementation of primary responsibilities. Regarding baseline work safety targets, the Company’s primary goal is to prevent work safety accidents, continuously strengthening source control of accidents.

During the reporting period

the Company did not experience any general grade A or higher work safety accidents for which it held primary responsibility, nor any major or higher work safety accidents for which it held secondary responsibility, maintaining an overall stable work safety situation. There were no instances of delayed, omitted , concealed , or false reporting of work safety accidents, successfully achieving the annual safety control targets.

Indicators related to occupational health and safety management



In 2025

RMB **12,682.79**

Investment in Work Safety

0

Work Safety Accidents

0

Work-Related Employee Fatalities

0

Work Days Lost Due to Work-Related Injuries

Energy Supply Security

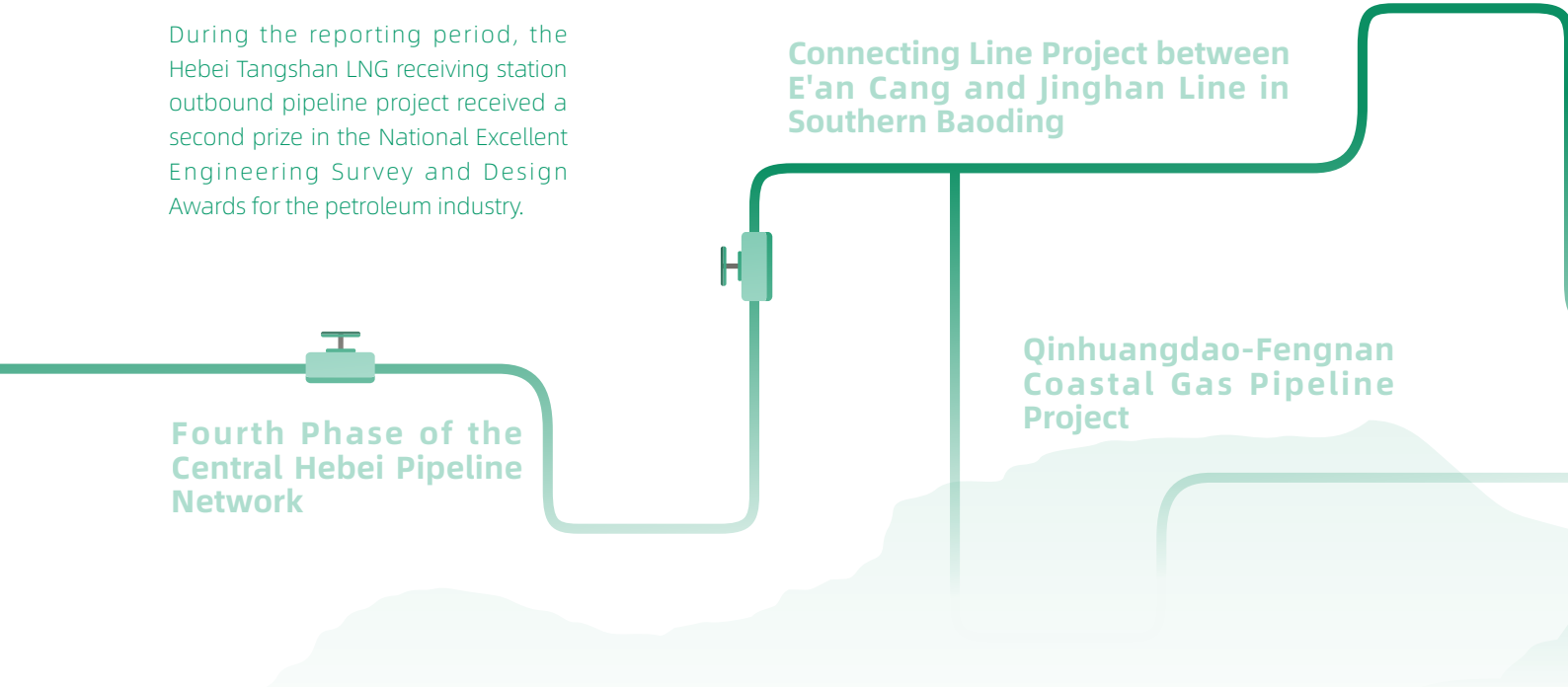
Suntien has always upheld a high sense of responsibility regarding energy supply security, ensuring the safe and stable supply of natural gas. The Company continuously enhances its overall gas supply capacity by improving its pipeline network layout, increasing gas storage capacity, optimising system operations, and scientifically allocating resources. In conjunction with managing peak gas consumption in winter, it strengthens specialised winter supply control, providing reliable support for residents’ livelihoods and socio-economic development.

Continuous Construction of Gas Supply Capacity

In 2025, Hebei Natural Gas continued to promote four key infrastructure projects: The Fourth Phase of the Central Hebei Pipeline Network, the Qinhuangdao-Fengnan Coastal Gas Pipeline Project, the Connecting Line Project between E'an Cang and Jinghan Line in Southern Baoding, and the Luquan-Jingxing Gas Pipeline Project. Through pipeline construction and station improvements, these projects continuously enhance the natural gas peak-shaving and emergency supply capabilities in the Beijing-Tianjin-Hebei region, laying a solid foundation for a stable year-round gas supply. As of the end of December, a cumulative total of 361.683 kilometres of pipeline welding had been completed across all projects, with 49.4 kilometres of new welding added during the Year, bringing the overall welding progress to 94.11%. Concurrently, construction of the Xianxian and Dingzhou Distribution Stations and three valve chambers was completed, while work on other stations and valve chambers progressed steadily, ensuring that the engineering projects advance efficiently as planned and provide robust support for regional energy security.

Caofeidian Company continues to leverage the Tangshan LNG project and its outbound pipeline project to secure energy supply. Through the efficient reception and transmission of liquefied natural gas, it ensures a stable natural gas supply for Hebei Province and the surrounding Beijing-Tianjin-Hebei region, supports the gas consumption plans for the Xiong'an New Area, and enhances emergency response and peak-shaving capabilities.

During the reporting period, the Hebei Tangshan LNG receiving station outbound pipeline project received a second prize in the National Excellent Engineering Survey and Design Awards for the petroleum industry.



Suntien's gas supply projects in 2025

Project	Project Description	2025 Progress
Fourth Phase of the Central Hebei Pipeline Network	This project has an annual design transmission capacity of 492 million cubic meters, a total length of 96.9 km, and a design pressure of 6.3 MPa.	The project pipeline is largely complete.
Qinhuangdao-Fengnan Coastal Gas Pipeline Project	This project has an annual design transmission capacity of 3.846 billion cubic meters, a total length of 186.25 km, and a design pressure of 10 MPa.	A cumulative total of 176 km of pipeline welding has been completed.
Connecting Line Project between E'an Cang and Jinghan Line in Southern Baoding	This project has a pipeline length of approximately 53.2 km, with pipe diameters of D508mm and D610mm, design pressures of 10.0 MPa and 6.3 MPa, and an annual design gas transmission capacity of 1.6 billion cubic meters.	The project pipeline is largely complete.
Luquan-Jingxing Gas Pipeline Project	This project has a pipeline length of 34.86 km, passing through Luquan District, Pingshan County, and Jingxing County. It has a design pressure of 6.3 MPa and a pipe diameter of 508 mm.	The project pipeline is largely complete.
Tangshan LNG Project and outbound Pipeline Project	The project is located in Caofeidian District, Tangshan City, Hebei Province, with a total investment of RMB 34.76 billion. The project is being constructed in three phases, with a designed unloading capacity of 12 million tonnes per year, and plans to build 20 LNG storage tanks with a capacity of 200,000 cubic meters each, and two berths. The outbound pipeline is 270 kilometres long with a diameter of 1,422 mm, a design pressure of 10 MPa, an annual gas transmission capacity of 11.2 billion cubic meters, and a maximum daily transmission capacity of 160 million cubic meters.	The warm seawater utilisation project at the Tangshan LNG receiving station has completed its final acceptance. The section of Phase II of the Tangshan LNG receiving station project (first bid section of the process area) coordinating with the commissioning of tanks #9, #10, #15, and #16, along with the IFV equipment, has completed mechanical completion acceptance. For Phase III of the Tangshan LNG project (tanks #11 and #17), the air-raising of the roofs has been completed, reaching 51.31% of the overall project progress.

Luquan-Jingxing Gas Pipeline Project

Winter Supply Guarantee Management

The Company places great importance on the operational management of its winter gas supply, having established a winter supply leadership group, held special dispatch meetings before and after the heating season, formulated the *Winter Natural Gas Supply Guarantee Plan*, and coordinated all aspects of pipeline network operation, equipment maintenance, gas source dispatch, and emergency response, thereby comprehensively enhancing its capacity to secure natural gas resources and manage emergencies during the winter supply period.

In 2025, prior to the winter supply period, the Company completed key preparatory tasks including pipeline pressure boosting for gas storage, winter equipment maintenance, SCADA and automatic control system optimisation, dual gas source construction, and refined calorific value management. These efforts effectively ensured stable pipeline pressure, a consistent gas supply, and the safety of users' gas consumption, fully demonstrating the Company's professional management capabilities and sense of responsibility in the field of energy supply security.

Case: 2025 winter supply preparations

To ensure the safe and stable operation of the gas supply system during the winter of 2025, Hebei Natural Gas planned and completed key preparatory work ahead of the season, covering all its subsidiaries and departments. These measures focused on equipment maintenance and upgrades, optimisation of operating parameters, control of pipeline network pressure, and emergency preparedness, significantly enhancing the system's peak-shaving capacity and ability to respond to emergencies, thereby providing users with stable and reliable gas supply services.

Equipment maintenance: Before winter, inspections, maintenance, and necessary modifications were completed for key equipment such as valves, electric heat tracing, flow meters, pressure regulators, and filter elements. Commonly used consumables and spare parts were stockpiled to ensure the stable and reliable overall operation of equipment during the winter supply period.

Operational management: Each subsidiary of the Gas Company developed reasonable work schedules based on pipeline operating parameters and user gas demand, designating responsible persons and strengthening production management during holidays and peak periods. The control centre utilised the SCADA system for real-time monitoring and intelligent early warnings to ensure stable and controllable pipeline pressure and gas transmission processes.

Pipeline management: Inspections of long-distance pipelines and main urban distribution networks were intensified, with a focus on monitoring key sections. The Company coordinated with third-party construction teams for safety supervision and strictly enforced the approval system for major operations during the winter supply period to ensure the operational safety of the pipelines.

Emergency response: All maintenance and repair centres inspected their emergency equipment, vehicles, and materials in advance. Subsidiaries organised emergency plan training and drills, and established a leadership duty roster to ensure rapid response and handling of emergencies.

Quality Control and Customer Service

During the reporting period, Suntien continued to enhance its engineering construction and operational management systems. By standardising systems and optimising processes, the Company strengthened the quality of its engineering construction and operational services. It also improved service efficiency and convenience through digitalisation and the application of AI technology, providing users with a high-quality, stable, and intelligent gas experience, which enhanced operational efficiency and user satisfaction.

Quality Management System

Suntien strictly complies with the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, and other relevant laws and regulations. The Company has also formulated and implemented supporting management systems tailored to its business characteristics, and is committed to continuously improving the quality of its engineering construction and operational services by enhancing its Quality Management System and standardising engineering construction management.

Regarding engineering construction and operational management, the Company implements policy documents such as the *Management Measures for the Quality of Engineering Construction Projects* and the *Management Measures for the Safety of Engineering Construction*, and has revised systems including the *Management Measures for Production and Operation Safety* and the *Management Measures for Production Equipment* to specify quality requirements for engineering construction, equipment management, and on-site management. The Company implements a quality responsibility system for project managers, clarifying that they are responsible for coordinating project supervision and quality management, and requires them to sign a lifetime quality responsibility commitment letter, ensuring that quality management responsibilities are assigned to specific projects and positions.

Throughout the project implementation process, the Company continuously strengthens operational supervision and risk control for projects under construction. In 2025, the Engineering Management Department, in collaboration with various management units, conducted regular project inspections in accordance with the *Working Mechanism for Regular Investigation and Rectification of Safety in Engineering Construction Projects*, and periodically reported on engineering management through the Suntien Safety Committee mechanism. **As of the end of the reporting period, the Company had not experienced any major risks or hazards, the rate of problem detection continued to decline, and all identified hazards have been rectified.**

Case: Hebei Natural Gas participation in Suntien's 'Engineering Quality Month' event

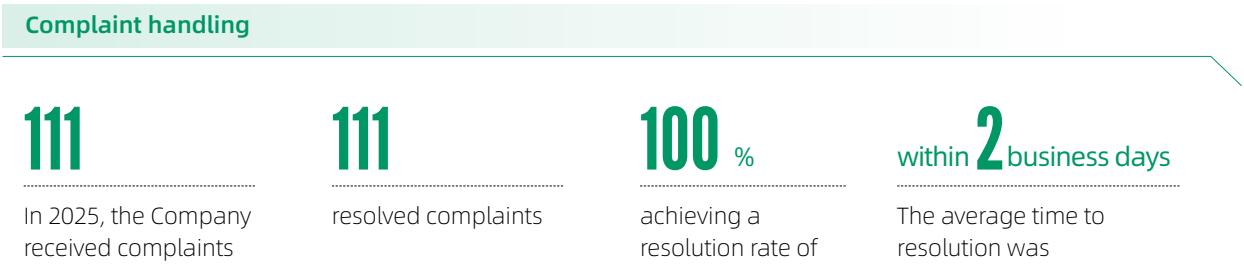
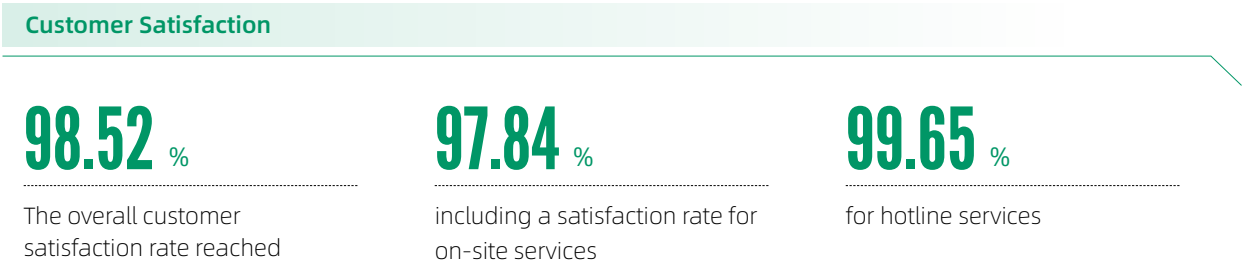
In line with engineering construction quality control requirements, Hebei Natural Gas continuously conducts targeted practical training and themed activities based on project inspections and special campaigns. Through events like 'Work Safety Month' and 'Engineering Quality Month', it reinforces the understanding of quality standards and on-site control requirements among engineering management and front-line operational staff. During the reporting period, Hebei Natural Gas organised project teams from its subsidiaries to participate in Suntien's 'Engineering Quality Month' event, where teams won first, second, and third prizes in both group and individual categories, enhancing the professional proficiency of engineering managers in implementing quality management standards. Hebei Natural Gas also incorporates issues identified during inspections into a closed-loop management system for training and rectification, ensuring the effective implementation of quality management requirements at grassroots projects and construction sites.

User Service System

User Service Management

Suntien continuously improves its user-centric service management system, enhancing the standardisation and operational efficiency of customer service by refining systems and standardising service processes. In 2025, focusing on residential user safety and services, the Company revised and implemented several policy documents, including the *Detailed Rules for the Management of Regular Safety Inspections for Residential Users*, the *Detailed Rules for the Classification and Rectification Management of Safety Hazards for Residential Users*, the *Detailed Rules for the Management of Gas Risers for Residential Users*, and the *Detailed Rules for the Standardised Management of Hotline Centre Services*, covering key areas such as gas sales, in-home services, safety inspections, and emergency response.

Building on this foundation, the Company systematically promotes the development of extended services, gas safety management, and the optimisation of service models, leveraging both system enforcement and smart technologies to enhance customer service quality and operational efficiency. Concurrently, the Company continues to strengthen gas safety management for residential users by refining the full life-cycle safety control mechanism, focusing on key aspects such as personnel access, operational processes, and service quality. In 2025, to bolster front-line service and safety assurance capabilities, the Company conducted special inspections and targeted training, organising four special training sessions, carrying out 46 various inspections, and completing assessments and certifications for 132 personnel. As of the end of the reporting period, the rectification rate for level-one hazards related to residential users reached 100%.



Case: 2025 customer service workshop

On 10 July 2025, Hebei Natural Gas held a mid-year Customer Service Workshop, bringing together core members and management from the customer service teams of its various subsidiaries. The meeting focused on discussions around topics such as residential user safety management, in-home safety inspections, and hazard investigation, with units sharing their experiences in safety execution and risk prevention. Participants analysed the work of the first half of the year, identified issues and directions for rectification, and planned the safety management priorities for the second half, providing support for customer service and safety operations in the second half of the year.



2025 mid-year customer service workshop

Smart Customer Communication Services

Suntien continues to advance the smart transformation of its customer services, constantly enhancing service reliability and user experience. The hotline voice system has been upgraded with emergency capabilities to address common risks like short-term power outages and network interruptions, allowing incoming calls to be switched to backup lines within seconds. The 'special date duty information' feature allows for flexible adjustment of the number of emergency lines, ensuring user service channels remain open. The Company has innovatively introduced IP passthrough technology, which enables the rapid setup of an emergency sub-centre within half an hour in the event of force majeure or major disasters. This allows for an 'instantaneous migration' of the hotline, ensuring uninterrupted service and truly achieving 365-day, all-weather service. At the same time, we proactively alert users to potential hazards using AI technology, with a cumulative total of approximately 57,000 reminders sent throughout the year, effectively strengthening customer safety management and risk prevention capabilities.

Furthermore, through multiple rounds of technical communication and collaboration with China Everbright Bank and the WeChat Life Payment platform, the Company comprehensively optimised payment channels and processes. This successfully reduced the channel fee rate from 2‰ to 1.6‰, saving approximately RMB 130,000 in costs annually and increasing the proportion of convenient payment methods to 94%.

Through these smart initiatives, Suntien continuously enhances the stability, efficiency, and security of its customer services, providing users with a reliable, convenient, and safe gas experience. The hotline service satisfaction rate reached 99.65%, maintaining a high level of satisfaction for many consecutive years.



04

Synergistic Industrial Development

During the 14th Five-Year Plan period, Suntien closely aligned with national and local energy development policies, positioning Scientific and Technological Innovation as the core support for business upgrading, green and low-carbon transformation, and clean energy development. The Company has continued to increase R&D investment in its main businesses, such as wind power and natural gas, and has actively expanded into low-carbon fields like hydrogen production and energy storage, promoting the transformation of innovative achievements into engineering applications and demonstration projects. Looking ahead to the national 15th Five-Year Plan, the Company will further strengthen the leading role of Scientific and Technological Innovation in high-quality development and energy structure optimisation. Guided by policy direction, market demand, and clean energy development opportunities, it will focus on tackling key technologies and their industrial application, coordinate the promotion of new energy technology breakthroughs and low-carbon applications, cultivate new growth drivers powered by innovation, and continuously enhance its capacity for high-quality and sustainable development.



SDGs Covered in This Chapter:



Material issues covered in this chapter:

Product Technology and Innovation, Supply Chain Management, Clean Energy Development Opportunities



Building Innovation Capability

Suntien takes Scientific and Technological Innovation as its core driving force, focusing on building an R&D system for new energy and the low-carbon transition. Through the development of multi-level R&D platforms, cross-disciplinary industry-university-research collaboration, and enhancements in digital operation and maintenance capabilities, the Company continuously accelerates key technological breakthroughs and the commercialisation of its achievements. It promotes the deep integration of technological innovation and industrial applications, laying a solid foundation for clean energy development and sustainable, high-quality growth.

Governance

The Company has established a comprehensive management system for *Scientific and Technological Innovation*, including the *Science and Technology Management Standards*, *Measures for the Management of Industry-University-Research Cooperation*, *Regulations on Rewards for Scientific Research Achievements*, *Management Measures for Experts in Science and Technology Project Review (Consultation)*, and *Intellectual Property Management Measures*. These policies clarify the responsibilities and objectives for managing R&D projects, refine the organisational structure and the assessment and incentive mechanisms, and leverage the resource integration and technical support functions of our R&D platforms. The science and technology management department coordinates the initiation, implementation, evaluation, and commercialisation of R&D projects, promoting the integrated allocation of innovation resources and deep industry-university-research collaboration.

Strategy and Management Approach

Closely aligning with national and provincial macroeconomic policy directives, Suntien positions Scientific and Technological Innovation at the core of its corporate strategy to drive business upgrades, industrial optimisation, and sustainable development. The Company provides a solid guarantee for the standardised and sustainable advancement of its Scientific and Technological Innovation activities by refining its institutional framework, building high-level innovation platforms, deepening industry-university-research collaboration, and improving its full-cycle incentive mechanisms.

Building an Innovation System

Suntien places great importance on the construction of innovation platforms, continuously improving its systematic R&D support system to build core technological R&D capabilities for its new energy and natural gas businesses. The Company vigorously promotes Scientific and Technological Innovation through its R&D platforms and research projects. During the Reporting Period, the National Energy R&D Centre for Hydrogen and Renewable Energy Synergy completed its mid-term assessment; the 'Distributed Energy Storage DC-coupled Grid-Forming Wind Turbine Equipment' co-developed by the Company was named a major first-of-its-kind (set) technological equipment in the energy sector in the fourth batch by the National Energy Administration; and the Hebei provincial project 'R&D and Application of Key Technologies for Grid-Forming Wind Turbine Equipment', funded by the Central Government's special funds to guide local scientific and technological development, was approved for special provincial government project funding.

At the same time, the Company highly values collaborative innovation through industry-university-research partnerships, considering it a crucial component of its Scientific and Technological Innovation governance system. During the Reporting Period, the Company revised the *Administrative Measures for Industry-University-Research Collaboration* to further clarify cooperation principles, management processes, and the division of responsibilities, thereby standardising the organisation and implementation of research projects involving universities, scientific research institutes, and industry organisations. Focusing on key technology R&D and industrial application needs, the Company continues to deepen its collaboration mechanisms with external research institutions to promote the effective integration of cutting-edge scientific research with its business scenarios.

Collaborative R&D with Universities

01

The Company has engaged in deep collaboration with six universities, including Tsinghua University, Hebei University of Science and Technology, Hebei University of Technology, Northeastern University, Xinjiang University, and China University of Petroleum. The areas of cooperation cover cutting-edge technology fields such as grid-forming wind power, wind power co-located with energy storage, intelligent operation and maintenance of offshore wind turbines, smart control of wind farms, multi-energy complementarity of oil, gas, and new energy, and the safety of gas pipeline networks.

Collaboration with Scientific Research Institutes

The Company has entered into deep collaboration with national-level research institutions, such as the 718 Research Institute of China State Shipbuilding Industry Corporation Limited and the Institute of Electrical Engineering of the Chinese Academy of Sciences. This collaboration focuses on joint research into key technologies for large-scale renewable energy coupled with hydrogen production, and together we have applied for national hydrogen energy pilot projects.

02

Joint Industry Technology Initiatives

03

By establishing cross-disciplinary strategic partnerships with key enterprises in the industrial chain, the Company has expanded the application scenarios for green hydrogen to industrial sectors such as biomanufacturing and metallurgy, actively exploring pathways for deep decarbonisation. The distributed energy storage DC-coupled grid-forming wind turbine equipment, co-developed with a third-party company, was included in the national list of the fourth batch of first-of-its-kind (set) major technological equipment in the energy sector in January 2025.

Case: Global Exchange on Low-Carbon Development for the Gas Industry

Hebei Natural Gas participated in the World Gas Conference held in Beijing in 2025. With the theme 'Gas Transition under Carbon Neutrality', the conference gathered industry representatives from over 100 countries and regions. By participating in high-level forums and technical seminars, Hebei Natural Gas engaged in in-depth discussions on technological developments, market trends, and cooperation pathways for low-carbon gases such as natural gas and hydrogen. This participation further enhanced its international perspective in the global gas sector and laid a foundation for collaboration to promote a low-carbon transition and the development of clean gas.



The World Gas Conference Venue

Furthermore, Suntien places great importance on the protection of intellectual property rights and is committed to integrating related work into its daily operations. The Company strictly complies with relevant national laws and regulations, including *the Patent Law of the People's Republic of China*, *the Trademark Law of the People's Republic of China*, and *the Copyright Law of the People's Republic of China*. This year, the Company revised its internal *Intellectual Property Management Measures* to further enhance the effective protection of its intellectual property.



To ensure the effective implementation of the newly revised *Intellectual Property Management Measures*, the Company organised specialised training for technology management personnel across all management units. This training clarified the boundaries of authority, responsibilities, and behavioural norms for each position, integrating the policy requirements into daily management to effectively enhance the overall efficiency of intellectual property management and protection.

Developing Innovative Talent

In terms of building its R&D talent, the Company continues to enhance its training system for scientific and technological R&D personnel. By improving evaluation mechanisms and providing relevant training, it aims to raise the professional competence and innovative awareness of its R&D staff, thereby stimulating their research potential and team vitality. Suntien strictly adheres to national and local laws and regulations, such as *the Law of the People's Republic of China on the Promotion of Transformation of Scientific and Technological Achievements* and *the Implementing Rules of the Hebei Provincial Measures for Science and Technology Awards*, and has established and continuously refines its incentive system for scientific research and innovation. This year, the Company updated and revised the *Administrative Measures for Rewarding Scientific Research Achievements* to incentivise employees in technology R&D and knowledge creation. The updated measures expand the scope of special rewards to cover government-accredited R&D platforms, achievements supporting municipal-level and above technology projects, and specific provincial-level and above intellectual property, providing support for the early stages of R&D, key technological breakthroughs, commercialisation of achievements, and standard-setting. At the same time, by raising reward standards, standardising review processes, and ensuring distribution is guided by contribution, the Company ensures that incentives are linked to the actual contributions of teams and individuals, further invigorating employee innovation.

Case: Innovating University-Enterprise Cooperation and Setting a Benchmark for Industry-Education Integration

On 21 July 2025, Caofeidian Company and Dalian Maritime University jointly held an opening ceremony for the Introduction to LNG Vessels and Receiving Stations practical course, marking the university's first LNG terminal-centric practical teaching project. The two parties systematically designed the teaching plan, course content, and assessment criteria, jointly developing a five-day, 30-hour curriculum covering the full operational processes of an LNG receiving station. By combining theory with practice, the course aims to provide teachers and students with an in-depth understanding of real-world operations, representing a significant step forward for both parties in fostering innovation in talent development models and deepening industry-education collaboration in the energy sector.



Opening ceremony for the Introduction to LNG Vessels and Receiving Stations practical course

Commercialisation of Innovative Achievements

The Company continues to drive the commercialisation of its Scientific and Technological Innovation achievements, strengthening technology validation and engineering implementation. During the Reporting Period, the 'R&D and Application of Key Technologies for Grid-Forming Wind Turbine Equipment' project was selected for the 2025 list of projects funded by the Central Government's special funds to guide local scientific and technological development, receiving special government funding to support the demonstration and application of grid-forming wind power technology.

In terms of equipment commercialisation and application

The Company has completed the R&D and rollout of several key pieces of equipment: the first domestic self-climbing lifting robot for replacing large components such as impellers has been put into practical use, significantly reducing wind power hoisting costs and enhancing operational safety; meanwhile, the 'Distributed Energy Storage DC-Coupled Grid-Forming Wind Turbine Equipment' co-developed by the Company was selected for the national first-of-its-kind (set) major technological equipment in the energy sector, solving industry challenges and achieving breakthroughs in the localisation and industrialisation of key equipment.

In terms of scientific and technological achievements and awards

The Company achieved two internationally leading technological breakthroughs: The new anti-ice monopile foundation and its complete construction, operation, and maintenance technology for the Bohai Sea ice zone solved challenges related to foundation types, construction processes, and intelligent maintenance systems in ice-covered areas, reaching an internationally leading level; the high-quality operation and intelligent control technology for major urban clean energy special equipment overcame core challenges such as damage and life prediction under complex working conditions, vacuum-stacked multi-source monitoring and inspection, and multi-level administrative collaborative smart supervision of special equipment, reaching an internationally advanced level. Additionally, the Company received one second prize and had one first prize pass the final review in the Provincial Science and Technology Progress Awards, demonstrating the leading position of its technological achievements in the industry. The 'Key Technology and Application of Integrated Source-Grid-Load-Storage for Low-Carbon and Efficient Energy Use in Xinjiang oilfields' received the second prize in the Science and Technology Progress Awards of the Xinjiang Uygur Autonomous Region. This achievement proposed key technologies for coordinated source-grid-load planning, enhancing the active support capability of new energy stations to the power grid and effectively increasing the power generation and consumption capacity of new energy power stations. The 'Key Technology and Application of Large-Scale Renewable Energy Coupled Hydrogen Production based on DC Networking' has passed the final review for the Hebei Provincial Science and Technology Progress Award and was recommended for a first prize. It proposed a capacity configuration and integrated design method for an off-grid wind-solar hybrid hydrogen production system based on a DC microgrid, completed the development of renewable energy-based hydrogen production equipment with DC access, and comprehensively improved the economy, durability, and adaptability of hydrogen production equipment under fluctuating operating conditions.

In terms of standardisation

The Company presided over the completion of three group standards in 2025, committing to promoting the standardisation of wind-hydrogen-storage synergy and wind power safety management technology, and facilitating the transformation of technological achievements into industry norms. The *General Requirements for Off-Grid Wind-Hydrogen-Storage Systems* was released by the Chinese Renewable Energy Society in March 2025; the *General Requirements for Safety Risks Classification and Control of Onshore Wind Turbines* was released by the China Energy Research Society in September 2025; and the *Guidelines for the Economic Evaluation of Off-Grid Wind-to-Hydrogen Projects* was released by the China Electrotechnical Society in September 2025.

Case: UTC600 Self-Climbing Crane: An Innovative Demonstration for High-Tower Wind Turbine O&M

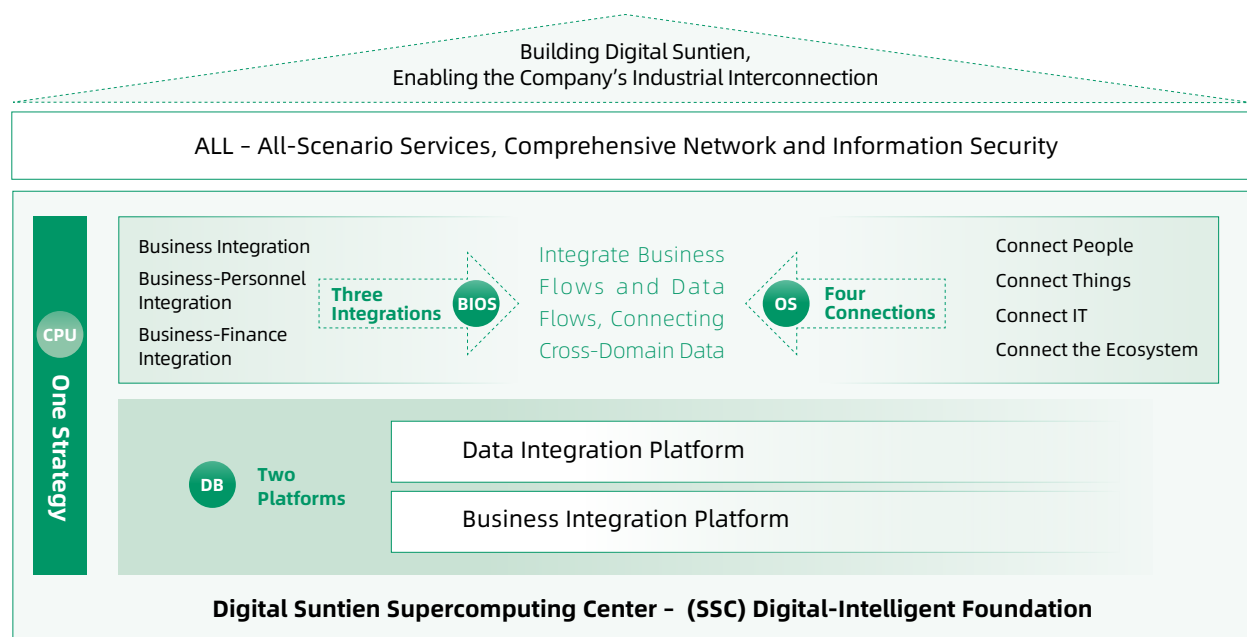
The UTC600, the first domestically produced self-climbing, tower-mounted crane independently developed by Suntien's subsidiary Shanghai Geluoli Technology Co., Ltd., has successfully completed hoisting operations for large components such as impellers and gearboxes on high-tower wind turbines. This innovation reduces hoisting costs for onshore and offshore wind power by 50% and 80% respectively, while significantly enhancing O&M efficiency and safety. The UTC600 relies entirely on proprietary intellectual property, with its core structure, control system, and monitoring system breaking foreign technological monopolies to achieve 100% domestic production, and has multiple patents pending. The widespread application of this equipment not only optimises technical specifications for replacing large wind power components but also provides technological support for cost reduction and efficiency improvement in the new energy industry and the realisation of the dual carbon goals.



The UTC600 self-climbing crane in operation

Promoting Digital Transformation

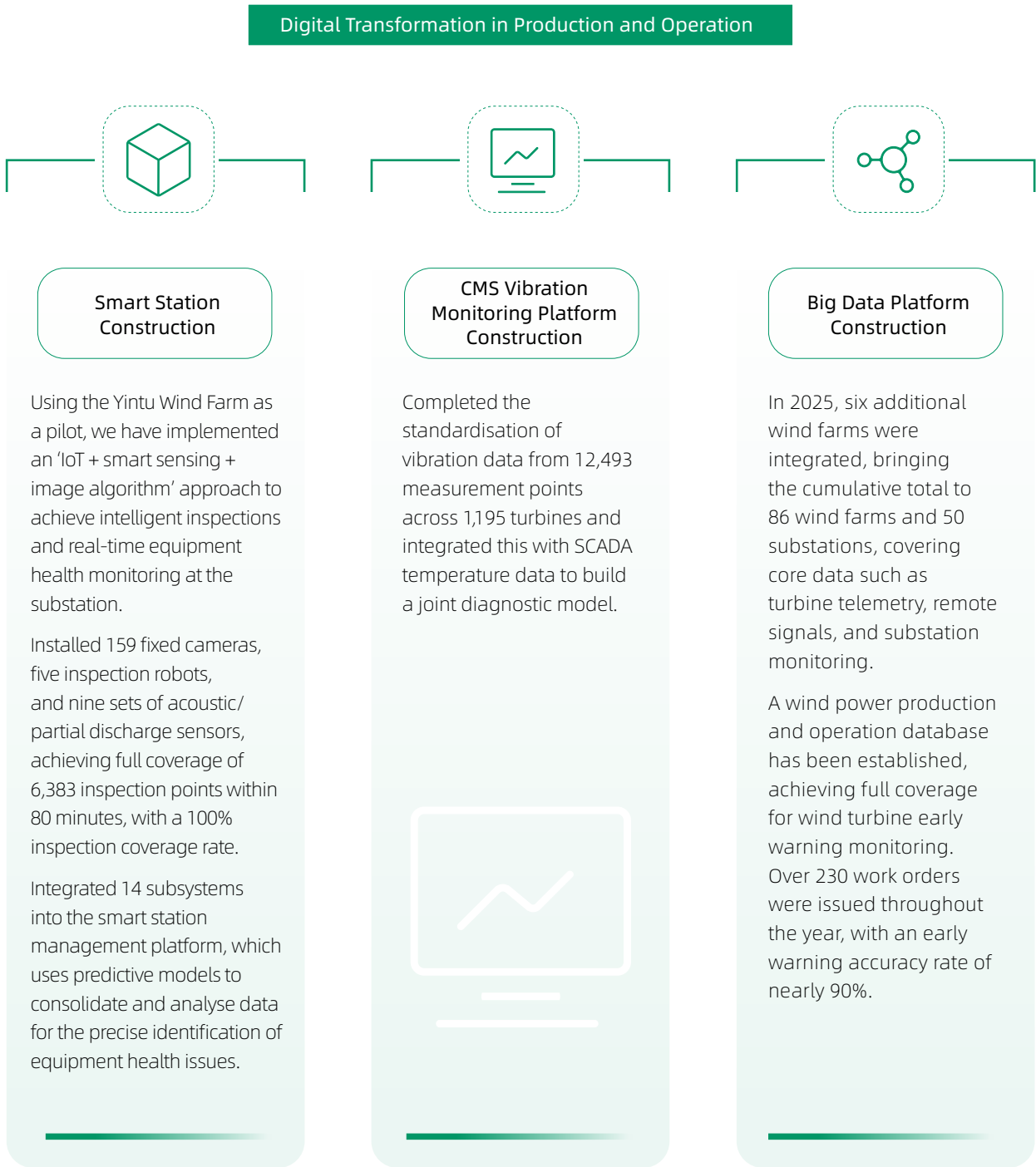
Suntien continues to advance Scientific and Technological Innovation and strategically develop its digital transformation capabilities, with a commitment to building a 'Digital Suntien'. The Company is systematically constructing the Digital Suntien Supercomputing Centre based on a framework of 'one strategy, two platforms, three integrations, and four connections' to support all-scenario services and information security, thereby creating a Hebei provincial-level new energy industrial ecosystem led by Suntien.



In 2025, under the coordination of the AI Construction Committee, the Company's Intelligent Operations Centre focused on pilot projects in wind power O&M and business management. It formulated a unified AI plan and technical architecture, launched three AI agents for intelligent maintenance, intelligent data query, and intelligent Q&A, and iteratively developed nine systems including the Suntien Unified Mobile App, while also undertaking internal software R&D projects.



The Company has catalogued the data assets of six headquarter departments and is advancing its data asset development. It also continues to promote smart O&M in areas such as smart wind farms, data analysis, and CMS vibration monitoring to enhance equipment monitoring and early warning capabilities. Through team reforms and talent cultivation, the Company has strengthened its professional expertise, fully achieving its goals for AI development, digital transformation, and smart O&M.



The Company consistently promotes digital transformation. In the new energy sector, it has established a standardised data system covering the entire production chain and an information management system for evaluating wind turbine health, effectively enhancing the precision of production management and end-to-end O&M capabilities. In the natural gas sector, an intelligent management platform for urban gas has been built, covering regions such as Shijiazhuang and Chengde. Furthermore, the production management system for the Caofeidian LNG Receiving Terminal and its supporting outbound pipelines has been commissioned, significantly improving integrated and coordinated multi-level control.



Case: Activating New Drivers for the Smart Energy Hub, Caofeidian Company Launches an AI-automated Ship-Shore Compatibility Matching and Review System

To enhance the synergistic efficiency of the natural gas industry chain, Suntien is continuously advancing its digital transformation in the natural gas sector. Caofeidian Company has successfully launched an AI-automated ship-shore compatibility matching and review system, leveraging an industry-leading large language model. The operation of this system has improved both the efficiency and accuracy of ship-shore compatibility reviews, providing a strong impetus for upgrading emergency supply capabilities and overall operational efficiency. This innovative application of a locally deployed large model has also further solidified the digital foundation of the Company's clean energy business, offering a replicable and scalable practical model for the digital upgrading of the domestic LNG industry.

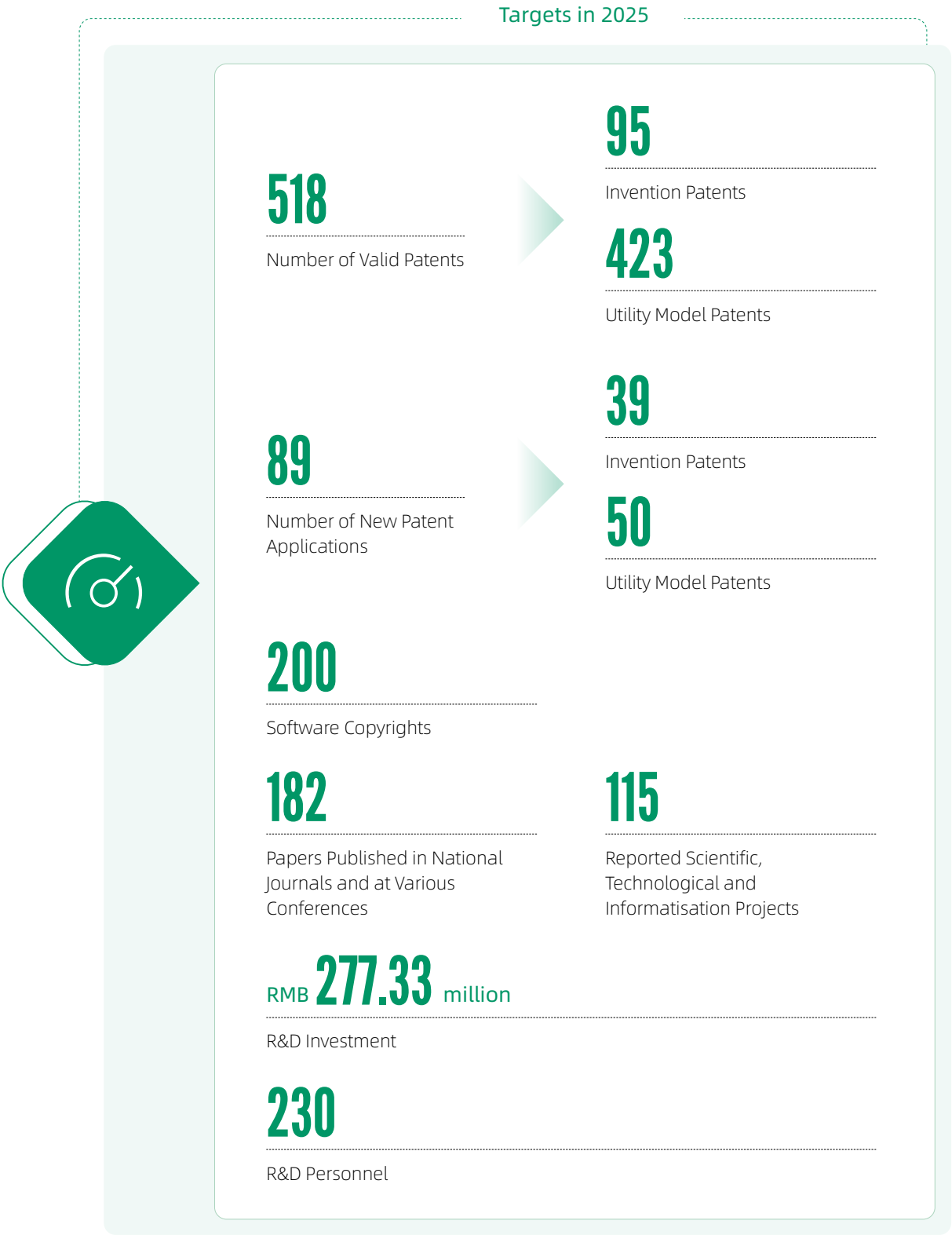
Risk Management

Through its internal management processes, the Company actively identifies potential risks and opportunities in its R&D and innovation activities, covering factors such as technical feasibility, talent reserves, capital investment, the policy environment, and market trends. Using a combination of qualitative and quantitative methods, it assesses these risks and opportunities to determine priorities, focusing on those with a high impact. For key risks, the Company formulates control measures and monitoring mechanisms. For key opportunities, it optimises resource allocation to accelerate the commercialisation and industrialisation of R&D outcomes, ensuring its innovation capabilities are continuously enhanced and serve its sustainable development strategy.

Risks in Commercialising R&D Outcomes

In the process of developing new energy and low-carbon technologies, the Company may face risks where key technologies have not yet formed unified standards or where market application demands are diverse, leading to limited promotion of technological outcomes and affecting the efficiency of R&D investment and the leverage of innovation capabilities. To address this risk, the Company actively participates in the formulation of industry and group standards, strengthens industry-university-research and industrial chain collaboration, and accelerates technology implementation through demonstration projects and application verification, thereby enhancing the efficiency of commercialising R&D outcomes (for related strategies and actions, see the 'Innovation Capability Building - Strategy' chapter).

Indicators and Targets

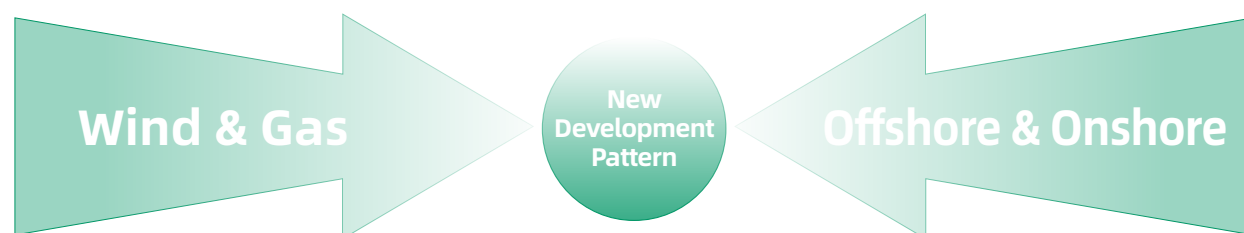


Clean Energy Development Opportunities

Against the backdrop of global low-carbon transition and energy structure optimisation, the clean energy sector presents broad development prospects. Suntien takes wind power and natural gas as its core, seizing the triple opportunities of policy, technology, and the market, unlocking the synergistic advantages of gas turbines and natural gas, and competing in emerging industrial tracks such as hydrogen energy and energy storage to provide strategic support for building an efficient, low-carbon, and sustainable energy system.

Governance

The Company regards the development of clean energy as its strategic core, ensuring that development opportunities are effectively seized through a comprehensive governance system. At the governance level, the board of directors and senior management make decisions on the layout of the two core businesses of wind power and natural gas, and guide relevant departments to conduct research and assessments in emerging business areas such as hydrogen energy, energy storage, and gas-fired power plants, identify potential development opportunities, and gradually promote the strategic implementation of feasible projects.

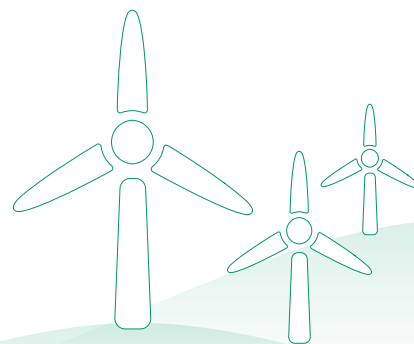


Strategy and Management Approach

As new energy power generation gradually transitions to become a primary power source, Suntien focuses on new types of electric power systems, emerging energy industries, and green and low-carbon development, establishing a systematic layout across multiple fields and business formats based on industrial synergy. The Company is firmly anchored in the two core tracks of wind power and natural gas, continuously deepening its efforts and building a new development pattern of 'advancing with both wind and gas, on both sea and land', thereby constantly strengthening the foundation for energy security and accumulating momentum and advantages for growth. In addition, the Company carries out forward-looking deployments in projects involving gas turbines, energy storage and hydrogen energy to enhance the flexibility and innovation capacity of the energy system, and to seize the strategic opportunities presented by national and local new energy policies and low-carbon technology development. At the same time, the Company actively promotes technological standardisation, industry certification and the construction of demonstration applications to enhance the efficiency of R&D commercialisation and industrial implementation capabilities, providing exemplary support for the construction of a green and low-carbon energy system and enabling the Company to gain a strategic advantage in the energy transition and sustainable development.

Expanding Wind Power Scale

The Company's new energy reserves and installed capacity have continued to increase, focusing on strengthening independent development and leveraging policy opportunities such as the 'Two New' and the construction of a strong maritime province to explore diverse development paths, with newly approved capacity reaching a new high. In 2025, several of the Company's onshore wind power projects became operational, including multiple new 'replacing small units with large ones' projects within Hebei Province. In offshore wind power, leveraging the construction experience from the operational Tangshan Laoting Putidao offshore wind power project, the Company has seized new opportunities for offshore wind power development in Hebei Province and accelerated the construction progress of projects in provincially managed sea areas, laying a solid foundation for the development of the Company's wind power segment.



Case: Wind Turbine Upgrade and Renovation Demonstration

The Kangbao 'replacing small units with large ones' project, as the first scientific and technological innovation project in Hebei Province to apply grid-forming wind turbines, upgraded an old 30MW wind farm into a highly efficient 200MW facility by 'dismantling the old and installing the new, replacing small with large'. Following the upgrade, the annual power generation capacity increased by 59.6% and the equivalent utilisation hours grew by 58.9%, significantly improving the utilisation rate of wind energy resources and the efficiency of intensive land use, while also enhancing grid stability. The project can achieve an annual reduction of approximately 430,000 tonnes of carbon dioxide emissions, providing a replicable and high-benefit demonstration path for the renovation and upgrading of old wind farms, and holds significant reference value for promoting regional low-carbon energy transition.

Natural Gas Business

Relying on its existing upstream natural gas resources, Suntien fully leverages the advantages of its LNG Receiving Station and external transmission pipelines to actively introduce high-quality gas sources from both domestic and international markets, continuously optimising its resource pool structure. At the same time, the Company capitalises on the 'one national network' structure of the national pipeline network and fair and open market opportunities to engage in multi-channel resource cooperation, achieving efficient allocation of natural gas resources. Guided by market principles, the Company plans the construction of interconnections to widen the 'last mile' for resources to reach users, seizes the opportunities presented by the two-part tariff policy, tracks the construction of gas turbine projects, and advances gas supply cooperation and the construction of branch pipelines. In response to the consolidation trend in the gas market, the Company selectively expands its urban gas projects to increase its share of the end-user market. It also utilises the national pipeline network to expand the domestic resource trading market and explores integrated energy business models with natural gas at their core, providing strategic opportunities for the sustainable development of the natural gas segment.

Deploying Energy Storage Applications

The Company is actively promoting the synergistic development of pumped storage and new types of energy storage, with its energy storage deployment demonstrating a development trend of 'diverse forms and diverse technologies'. The first independently planned and constructed pumped storage project, the Laiyuan Huanghuatan Pumped Storage Power Station (with an installed capacity of 1.2 million kW), has been formally submitted for approval, marking substantial progress for the Company in the field of pumped storage. In terms of new energy storage, the Company has systematically planned the deployment of independent energy storage projects with a total scale of approximately 1,300 MW/3,400 MWh, covering diverse technical routes such as compressed air energy storage, lithium-ion battery storage, and vanadium-lithium hybrid storage.

Case: Innovating 'Source-Grid-Load-Storage' Technology to Empower the Green Transformation of Xinjiang Oilfield

The project jointly completed by the Company and Xinjiang University, 'Key Technologies and Applications for Integrated Source-Grid-Load-Storage and Low-Carbon, High-Efficiency Energy Use in Xinjiang Oilfields', successfully solved technical challenges related to low-carbon energy consumption in the Xinjiang oilfield. Through four key technologies—photovoltaic efficiency enhancement and energy storage balancing control, carbon capture process optimisation, multi-energy flow collaborative regulation, and full-condition grid-connected testing—the project developed and implemented an integrated 'source-grid-load-storage' equipment set. This achievement provides a replicable green transformation solution for traditional oil and gas fields, effectively enhancing clean energy consumption capacity and station operational efficiency. In November of the same year, it was awarded the second prize of the Xinjiang Uygur Autonomous Region Science and Technology Progress Award, serving as a prime example of the Company driving industrial upgrading through scientific and technological innovation and fulfilling its environmental and social responsibilities.

Expanding the Hydrogen Energy Industry Chain

The Company has proactively deployed its hydrogen energy industry chain, treating the hydrogen business as a crucial lever for diversified development and its low-carbon strategy, with a focus on three main areas: renewable energy for hydrogen production, hydrogen transportation, and hydrogen utilisation. The Company conducts localised research and demonstrations on technologies such as complementary wind and solar hydrogen production, DC microgrid hydrogen production, and integrated wind-to-hydrogen systems. Representative projects include the comprehensive utilisation demonstration of wind-to-hydrogen in the Zhangjiakou Renewable Energy Demonstration Zone, the Chongli Wind-Solar Coupled Hydrogen Production Project, and the Islanded Mode Wind Power-PEM Pure Water Electrolysis Hydrogen Production Demonstration, which have resulted in multiple scientific research achievements and accumulated application experience. In hydrogen transportation, the Company is researching long-distance pure hydrogen pipelines and hydrogen blending in urban medium-pressure natural gas grids, exploring safe and efficient transport technologies to support industrial application. In terms of hydrogen utilisation, the Company is advancing the commercialisation of 'Wind-Solar-Gas-Electricity-Hydrogen' multi-energy complementary technologies, with application demonstrations of green hydrogen in fields such as protein synthesis through bio-fermentation, green metallurgy, and ammonia synthesis.

Case: Jointly Exploring the Green Metallurgical Transformation Path with Shougang Jingtang Company

In 2025, to explore synergistic carbon reduction paths for renewable energy and high-energy-consumption industries, the Company partnered with Shougang Group to launch the 'Green Electricity—Green Hydrogen—Green Metallurgy Key Technology Research and Demonstration' Project. The project focuses on the integrated industrial innovation chain of 'Direct Supply of Green Electricity—Green Hydrogen Production from Green Electricity—Green Hydrogen Metallurgy', conducting key technology research and related equipment development at the Shougang Jingtang Industrial Park to systematically verify the collaborative application model of green electricity and green hydrogen in steel production scenarios. Through this project, the Company aims to explore technical pathways for the large-scale consumption of green electricity and green hydrogen and deep emissions reduction in the steel industry, providing a replicable and scalable demonstration solution for the green and low-carbon transformation of high-energy-consumption industries.



Suntien and Shougang Jingtang Company discussion meeting

Risk Management

The Company continuously enhances the management of risks and opportunities in its main businesses, such as wind power and natural gas, by establishing a comprehensive process for identification, assessment, and response to ensure the safe and stable operation of projects. It also seizes opportunities in policy, the market, and technological innovation to steadily advance risk prevention and control and business expansion in emerging fields like new energy storage and hydrogen energy, supporting the sustainable development of clean energy.

Price Risks

As electricity market reforms deepen, new energy has entered an era of affordable prices. The expanding scale of electricity trading and the diversification of trading entities and methods have increased the uncertainty of transaction settlement. Simultaneously, under the trends of pipeline network independence and price marketisation in the gas industry, the market is shifting from a 'seller's market' to a 'buyer's market', intensifying price competition risks among enterprises. To address this risk, the Company established a power marketing centre in its renewable energy segment to strengthen synergy between production and marketing, and actively participates in green electricity, green certificates, and carbon trading to enhance its power trading capabilities, diversify its revenue streams, and manage market price fluctuation risks. The natural gas segment, in turn, mitigates market competition risks by increasing the variety of its resources, broadening its access channels, optimising its resource pool, and strengthening communication with local price authorities to improve its resource acquisition and price negotiation capabilities.

Competitive Risks

With the advancement of carbon neutrality goals and the deepening of oil and gas system reforms, the development costs for natural gas and new energy projects are rising. At the same time, downstream market competition is intensifying, with the three major oil companies accelerating their deployment in the end-user market, exposing enterprises to increasingly fierce market competition risks. In its renewable energy segment, the Company enhances its competitiveness and addresses intense market competition by strengthening cooperation with industry partners, expanding its footprint in energy storage and emerging industries, and leveraging the development potential of its traditional stronghold regions. The natural gas segment expands its gas supply resources, utilises its national pipeline network shipping qualifications to broaden its market, and promotes the interconnection of pipelines such as inter-provincial trunk lines to improve resource coverage and market share. The liquefied natural gas segment closely monitors competitor dynamics, promptly adjusts its market strategies, and actively develops markets and seeks partners to maintain its competitive edge.

Indicators and Targets

Wind Power

1,270.52 MW

New installed capacity under control for wind power reached

14.85 billion kWh

Annual power generation capacity from wind farms under control

1,132 MW

Newly approved wind power capacity

3,544.57 MW

Cumulative effectively approved but not yet commenced wind power capacity

Natural Gas

176.03 km

Newly added natural gas pipelines

10,026.33 km

Cumulative operational natural gas pipeline length

5.255 billion cubic meters

Total Gas Volume (Transmission + Sales)

4.771 billion cubic meters

Natural Gas Sales Volume

Photovoltaics

158.93 MW

Newly added photovoltaic managed installed capacity

424.79 MW

Cumulative installed capacity under control

594.79 MW

Cumulative managed installed capacity

10 MW

Photovoltaic projects under construction (controlled by the Company)

Green Electricity

15.21 billion kWh

Green electricity power generation capacity

This amount of green power generation is equivalent to avoiding the following emissions:

- **12,583,200** tonnes of Carbon Dioxide;
- Approximately **1,171.17** tonnes of Sulphur Dioxide;
- Approximately **1,901.25** tonnes of Nitrogen Oxide;
- Approximately **197.73** tonnes of smoke and dust.¹

Green Certificates

All of the Company's grid-parity new energy projects participate in green certificate trading. In 2025, the Company adopted a sound strategy and actively marketed its certificates, with the following results:

1.55 million

Green certificates traded (1.94 million certificates issued)

RMB **5.80**

Average green certificate trading price

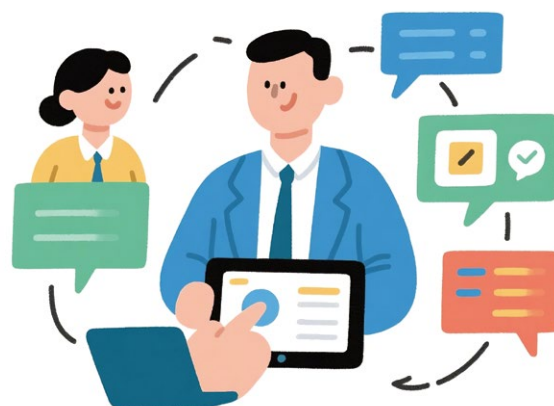
¹ The conversion factors are sourced from the national fossil fuel power carbon dioxide emission factor from the Ministry of Ecology and Environment's *Announcement on the Release of 2023 Power Sector Carbon Dioxide Emission Factors*, and the national thermal power emission factor per kWh from the China Electricity Council's *Annual Development Report of China's Electricity Industry 2025*.

Sustainable Supply Chain

Suntien places high importance on the key role of the supply chain in the Company's sustainable development, continuously improving its Supply Chain Management System. The Company integrates sustainability requirements into supplier management and procurement decisions, and systematically promotes standardised supplier management, responsible procurement, and supplier capacity building. Through institutionalised management and collaboration, the Company ensures the stable operation of its supply chain and drives the overall improvement of sustainability across the supply chain.

Supplier Management

Suntien strictly abides by relevant laws and regulations such as the *Company Law of the People's Republic of China* and the *Bidding Law of the People's Republic of China*, and has formulated a comprehensive supplier management system based on its own business needs. Suntien has developed and implemented several internal management policies, including the *Tender Management Regulations*, the *Project Construction Suppliers Management Measures*, and the *Measures for the Management of Material Suppliers*. To implement these management systems more effectively, the Company categorises its suppliers into equipment and materials, technical services, and construction engineering, and adopts differentiated management and audit strategies for each category.



Responsible Procurement

The Company continues to refine its Supplier Lifecycle Management Model, which covers the entire process from admission and assessment to elimination. The Company has established a robust risk monitoring mechanism, regularly assessing and updating supply chain risks to ensure timely and effective management. The Company has formulated and implemented internal policies such as the *Project Construction Suppliers Management Measures* and the *Measures for Handling Misconduct by Engineering Construction Suppliers*, which specify supplier admission procedures, performance assessment, and tiered management measures. Based on the results of risk assessments, the Company strictly implements audit and improvement plans and conducts internal and external capacity building within the supply chain to continuously enhance suppliers' sustainability capabilities and compliance levels.

In terms of procurement compliance and ethics, the Company requires all suppliers to adhere to high standards of business conduct, including anti-bribery, information and privacy protection, management of trade secrets and intellectual property rights, and prevention of conflicts of interest. Newly onboarded suppliers are required to sign a *Letter of Commitment for Material Suppliers* to affirm their compliance with these standards. For any failure to fulfil commitments or violations of relevant laws and regulations, such as corruption, fraud, or infringement, the Company will take strict corrective and punitive measures to ensure the compliance of its Supply Chain.

○ Admission

During the supplier admission stage, the Company rigorously reviews key factors such as a supplier's legal compliance, quality and technical standards, business ethics, and certifications for relevant management systems. The Company encourages or requires suppliers to obtain certifications for Quality Management Systems (ISO 9000), Environmental Management Systems (ISO 14000), and Occupational Health and Safety Management Systems. For suppliers of key equipment and important services, the Company conducts further on-site inspections or commissions third parties to perform due diligence to ensure their capability for continuous and stable supply.

○ Tiering and Performance Management

Periodic Assessment

The Company implements a tiered assessment and evaluation system based on supplier categories. The material procurement department organises a supplier annual assessment at least once a year, while also conducting regular and ad-hoc evaluations as part of routine management.

Assessment Content

Referencing the *Supplier Assessment Scorecard*, the assessment covers multiple aspects including product quality, service level, contract performance, and compliance, and is compiled into a *Supplier Assessment and Evaluation Report*. The Company implements dynamic tiered management, classifying suppliers into three categories: excellent, qualified, and unqualified. Excellent suppliers are given priority for cooperation, while unqualified suppliers are placed under observation or required to undergo rectification.

Periodic Inspection

Focusing on contract performance, the Company conducts annual special inspections of suppliers' progress, quality, service, and compliance. For anomalies or significant issues, it undertakes special investigations and applies necessary restrictions or blacklisting measures to effectively prevent quality, safety, and compliance risks.

○ Supplier Exit

The Company has established a clear exit and penalty mechanism for suppliers. Suppliers who fail the annual evaluation are given a six-month period for rectification. Those who fail to rectify, have serious integrity issues, commit major legal violations, or cause significant impacts on quality or project timelines will be placed on the supplier blacklist. They are barred from cooperation for three years, after which they must undergo the supplier admission management process again and pass the evaluation to be considered for future collaboration.

ESG Indicators		Unit	2025
Total Number of Suppliers		Number	200
By Region	Within Hebei Province	Number	50
	Outside Hebei Province	Number	150
	Overseas	Number	0
By Category	Number of Suppliers Certified with Quality Management System (ISO 9000)	Number	198
	Number of Suppliers Certified with Environmental Management System (ISO 14000)	Number	198
	Number of Suppliers Certified with Occupational Health and Safety Management System	Number	198
	Number of Contractors Certified with Quality Management System (ISO 9000)	Number	51
	Number of Contractors Certified with Environmental Management System (ISO 14000)	Number	51
	Number of Contractors Certified with Occupational Health and Safety Management System	Number	51

Supply Chain Empowerment

The Company attaches great importance to the collaborative development of its supply chain, focusing on supplier capacity building. Through supplier empowerment initiatives, we deepen our carbon reduction cooperation with suppliers, enhancing their overall capabilities and sustainability performance.

Case: Empowering Suppliers with Technology to Jointly Shape Core Competitiveness in Energy Storage

In 2025, to address the highly competitive landscape of the electrochemical energy storage market, which is characterised by diverse technological routes, numerous manufacturers, and significant price disparities, we intensified our supplier empowerment initiatives. The Engineering Management Department spearheaded in-depth technical exchanges with dozens of mainstream equipment manufacturers to precisely identify and establish core indicators such as charge-discharge efficiency, availability rate, and capacity retention rate, optimise the operating range for depth of discharge, and set reasonable warranty periods for battery cells. By translating this technical consensus into tender evaluation criteria, we aim to guide suppliers from price competition towards value co-creation, working together to promote the high-quality and sustainable development of energy storage projects.

05

Building a Better Future Together

Suntien has always upheld the philosophy of 'people-oriented and harmonious win-win', actively fulfilling its social responsibilities and demonstrating corporate accountability. We regard our employees as the cornerstone of our development and are committed to maintaining a diverse, inclusive, and fair working environment. We have established a comprehensive training system and multi-dimensional career pathways to continuously promote employee growth, integrating profound care for our employees into our corporate culture to achieve a harmonious alignment between individual employee value and the Company's long-term development. Furthermore, we give back to society by engaging in rural revitalisation, environmental protection, and charitable activities, conveying the human touch of our enterprise through tangible actions.



SDGs Covered in This Chapter:



Material issues covered in this chapter:

Legal Employment, Talent Development,
Public Welfare, Community Relations



Employee Rights and Interests Protection

In 2025, Suntien systematically advanced the enhancement and upgrade of its Talent Management System. Grounded in policy development, we comprehensively reviewed and optimised our human resources policy framework, resulting in a total of 11 policies being newly added, revised, or abolished throughout the year, creating a more streamlined and efficient structure. Concurrently, we have continuously attracted talent by broadening our recruitment channels, deepened our mechanisms for selection, development, management, and deployment to invigorate our workforce, and comprehensively improved talent management effectiveness through organisational restructuring and digital transformation, laying a solid talent foundation for the Company's sustainable development.

Employment and Welfare

Compliant Employment

Suntien strictly abides by national laws and regulations, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Minors*. We are committed to fostering an equal, compliant, diverse, and fair workplace environment, bringing together a diverse talent pool of outstanding individuals across different genders and age groups. We also place great importance on the employment of persons with disabilities, safeguarding their rights to equal development. In our corporate operations, we prohibit any form of child labor or forced labor and uphold the principle of fair employment, ensuring that employees of all nationalities, races, religious beliefs, genders, and ages are treated with equality and respect. In 2025, the total number of employees in the Suntien system was 3,058.

During the reporting period

the Company had no incidents of violating labor laws, such as forced labor or child labor.

Primary Indicator	Secondary Indicator	Unit	2025	2024	2023
Total Number of Employees		Persons	3,058	2,866	2,696
Total Number of Employees by Gender	Female employees	Persons	400	373	363
	Male employees	Persons	2,658	2,493	2,333
Total Number of Employees by age group	Employees aged 35 and below	Persons	1,410	1,532	1,379
	Employees aged 36-40	Persons	848	746	730
	Employees aged 41-45	Persons	479	340	340
	Employees aged 46-50	Persons	171	132	130
	Employees aged 51-54	Persons	93	83	79
	Employees aged 55 and above	Persons	57	33	38

Primary Indicator	Secondary Indicator	Unit	2025	2024	2023
Total Employee Turnover Rate		%	1.24	2.69	1.60
Employee Turnover Rate by Gender	Female employees	%	1.75	3.37	2.51
	Male employees	%	1.17	1.46	2.13
Employee Turnover Rate by Age Group	Employees aged 35 and below	%	1.99	1.86	2.71
	Employees aged 36–40	%	0.83	0.67	2.01
	Employees aged 41–45	%	0.63	1.73	0.58
	Employees aged 46–50	%	0	1.49	0.76
	Employees aged 51–54	%	0	2.35	3.66
	Employees aged 55 and above	%	0	15.38	2.56
Employee Turnover Rate by Region	Employees from Chinese mainland	%	1.24	1.71	2.15
	Employees from Hong Kong, Macao and Taiwan	%	0	0	33.33

Employee Communication and Feedback

Suntien is committed to building harmonious labor relations, for which it has established institutionalised communication channels and a grievance mechanism, aiming to ensure that employee concerns are heard effectively and resolved fairly, and to continuously consolidate harmonious and stable employment relationships.

○ Employee Communication Channels

The Company has systematically established an employee union and related democratic management mechanisms. Strictly adhering to the employee representative congress system, the Company holds regular meetings and elects union committee members to ensure the standardised and institutionalised operation of the union. The union actively serves as a bridge, listening to employee concerns and encouraging their participation in corporate decision-making to enhance their sense of belonging and cohesion. On this basis, the Company has established mechanisms for collective bargaining and wage negotiation, strengthening democratic management to timely and effectively address the immediate interests of employees, thereby preventing and resolving labor-management conflicts and promoting long-term, stable, and harmonious labor relations.

○ Employee Grievance Mechanism

To effectively protect the legitimate rights and interests of its employees, Suntien has established fair and smooth channels for communication and grievances. Company employees can provide feedback through regular mechanisms such as annual interviews, or they can file grievances directly on relevant issues. For performance-related grievances, the Human Resources Department is responsible for investigation, coordination, and resolution. Through these multi-tiered mechanisms, the Company aims to ensure effective communication and the impartial resolution of concerns.

Remuneration Management System

In 2025, Suntien further optimised its Remuneration and Performance System by revising two internal policies, the *Remuneration Management Measures* and the *Job Performance Management Measures*, to enhance the effectiveness of incentives and constraints and to promote talent development and the achievement of the company's strategic goals by adjusting the remuneration structure and increasing the proportion of performance-based pay.

The Company divides positions into three main series: the management grade series, the expert grade series, and the employee grade series. Based on the ranking of assessed job value and market salary conditions, and in combination with the Company's circumstances, it has formulated a basic salary scale for positions, systematically linking job value, market orientation, and corporate strategy. Concurrently, the Company implements the principle of differentiated assessment and has developed a tiered management assessment system to effectively link employee performance pay with factors such as work performance and contribution. This enables a comprehensive, fair, and objective evaluation of departmental employees' job performance, ensuring fairness and motivation in remuneration. In addition, the Company provides professional title subsidies, transport subsidies, and communication subsidies for employees who meet the relevant conditions, aiming to offer all-round support for their work and life.

Talent Cultivation and Development

Talent Acquisition and Promotion

Adhering to the management philosophies of 'strengthening the enterprise with talent' and 'full talent life cycle', Suntien formulated a scientific and dynamic recruitment plan in 2025 based on the Company's development strategy and business needs, and advanced systematic recruitment work, hiring 232 new employees throughout the year to provide key talent support for new business development.

The Company is committed to providing employees with broad career development opportunities by establishing diverse promotion channels and a comprehensive human resources management system. Following the talent development principle of 'implementing both attraction and cultivation of talent, and using practical work to replace formal training', the Company has formulated key policies such as the *Performance Management Measures*, the *Attendance Management Measures*, and the *Recruitment and Employment Management Measures* to ensure a more scientific and standardised process for talent assessment, selection, and management.

Promotion and Assessment Mechanism

The Company has established an internal promotion mechanism centred on performance assessment and competitive selection for positions, and on this basis has upgraded its dynamic grade management system. In 2025, the Company revised the *Job Performance Assessment Management Measures*, cascading corporate and departmental annual goals down to individual employee performance indicators and optimising the assessment process. The Company implements monthly performance assessments, sets key indicators based on job differences, and directly links employees' annual assessment results to job changes as the core basis for grade adjustments, thereby ensuring the fairness and motivational impact of promotions.

Talent Echelon Development

The Company provides employees with abundant career development opportunities and clear promotion pathways, establishing dual career path in management and professional technical tracks with multiple grade classifications to offer diverse advancement routes; at the same time, it has formulated a series of policies including the *Management Trainee Implementation Plan*, the *Talent Cultivation and Echelon Development Implementation Plan*, the *Employee Temporary Transfer/Appointment Training Management Implementation Plan*, and the *Two-Way Secondment Implementation Plan*, supporting employee career development through various cultivation methods such as job rotation and temporary transfer training. In 2025, the Company focused on advancing cadre management and the cultivation of high-potential reserve talent, consolidating its talent echelon by standardising cadre selection, appointment, and assessment, and strengthening the development of young cadres.

Talent Competency Development

With the goal of building a research-oriented and learning-oriented enterprise, the Company formulated the *Employee Training Management Measures* to support the development needs of employees throughout their careers. On this basis, it designed diverse programmes covering dimensions such as new employee onboarding training, specialized skills training, middle and senior management capabilities training and general vocational skills training. The Company's training system aims to systematically enhance the comprehensive qualities and professional capabilities of its employees, providing strong support for their career development and contributing to the Company's goal of high-quality development.

○ Pre-Employment Training

The Company's pre-employment training system covers both newly hired and newly appointed personnel, using a categorised approach with online and offline training to ensure employees can quickly adapt to their job requirements.

- For newly hired personnel, the Company conducts three levels of training during the probation period: company-level training covers the company profile, corporate culture, professional ethics, and rules and regulations; business segment-level training is conducted by front-line project construction or production units in the new energy and clean energy sectors, focusing on specialised knowledge; and department and position-level training concentrates on job responsibilities, professional skills, and operating procedures.
- For newly appointed personnel, training is divided into general and professional categories. General training includes professional ethics, rules and regulations, and job responsibilities; professional training covers work skills, operating procedures, and business management.

○ On-the-Job Training

The Company's on-the-job training covers personnel across all organization levels, including senior leadership, middle management, junior management, and technical (engineering) staff, with training content precisely designed for different groups.

- For the leadership level, the Company's training focuses on broadening perspectives and enhancing management capabilities, providing instruction on topics such as leadership and management decision-making, frontier management and strategies, and industry development.
- Training for middle management personnel focuses on corporate management tools and methods, including execution, management skills and methodologies, innovation management, and values, helping to improve practical management abilities.
- Training for junior management and technical (engineering) personnel is tailored to their job characteristics, emphasising professional skills, operating procedures, and business processes to strengthen their job performance capabilities.

In addition, given the needs of its international business, Suntien provides general professional skills training, such as foreign language proficiency training, for relevant business personnel to better support the Company's global business development. In 2025, the Company innovatively launched foreign language talent selection and tiered training, having selected 14 individuals for its talent pool and 19 for its reserve pool to support its international talent reserve.

○ Professional Qualification Support Programme

The Company supports employees in undertaking self-study for certification training, covering professional qualification examinations required for their current positions or specialisms and professional and technical personnel qualification (title) examination training, and encourages employees to participate in professional qualification certification/assessment examinations, reimbursing relevant registration fees, examination fees, and training fees up to a certain limit to support employees in independently enhancing their professional capabilities.

Case: HECIC New Energy and Chengde Regional New Energy Business Division Jointly Hold an Annual Capability Enhancement Training Course for Mid-To-Senior Level Management

In July 2025, HECIC New Energy and the Chengde Regional New Energy Business Division jointly organised a four-day residential capability enhancement training course in Tangshan for middle and senior level management. More Than 80 members of the management team, middle managers, and other personnel participated, aiming to strengthen collaboration among system units, advance talent echelon development, and build a high-quality management team.

The training adopted a 'themed lectures + on-site exchanges + team-building activities' model, with invited experts delivering talks on core topics such as new energy development and AI applications. Participants were organised to visit the Caofeidian LNG and Putuoshan Island offshore wind power projects to break down business silos, and evening activities included business simulations and screenings of patriotic films. This training effectively enhanced the participants' comprehensive professional literacy and team collaboration skills.

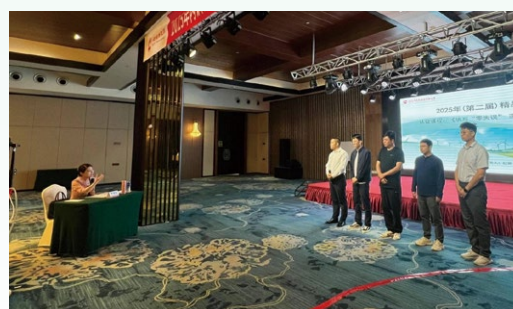


Capability training session and on-site visit

Based on the *Internal Trainer Team Management Measures*, Suntien further improved the construction of its internal trainer team in 2025. Leveraging the 'Xinyuan Lecture Hall', it selected, trained, and empowered 19 outstanding internal trainers, providing them with advanced enablement in areas such as AI-integrated teaching and high-quality course development, thereby achieving the systematic accumulation and sharing of knowledge.

Case: Systematically developing high-quality courses to empower the internal trainer team

In September 2025, Suntien launched a special project for the development and certification of high-quality courses by internal trainers. The project focused precisely on five core business scenarios, including those for new employees and key business personnel, and proceeded in two stages: 'Course Development' and 'Quality Certification'. Through expert guidance, the entire course development process was systematically empowered, incorporating the application of AI tools. The Company established a strict preliminary review mechanism of 'Course Pitching' and a secondary review of courseware to ensure course quality and practicality. This co-creative learning experience significantly enhanced the practical skills of the internal trainers and the quality of their courses, producing a batch of courses that are closely aligned with business realities and address operational pain points.



Internal trainer high-quality course certification event

Indicator	Unit	2025	2024	2023
Number of trainees	Persons	3,058	2,866	2,696
Average training hours per employee	Hours/Person	47.91	61.02	58.83
Average training hours per employee by gender				
Average training hours per employee - Male	Hours/Person	45.25	63.80	59.63
Average training hours per employee - Female	Hours/Person	68.01	42.50	53.52
Average training hours per employee by employee type				
Average training hours per employee - Senior Management	Hours/Person	33.91	39.38	39.00
Average training hours per employee - Middle Management	Hours/Person	108.31	129.17	94.71
Average training hours per employee - General Staff	Hours/Person	43.20	56.37	56.13

Employee Care and Communication

Employee Welfare System

Suntien is committed to creating a diverse welfare system for its employees, having formulated and implemented policies such as the *Administrative Measures for Employee Welfare* and the *Administrative Measures for Supplementary Medical Care*. On the basis of legally guaranteeing employee welfare holidays such as annual leave, marriage leave, statutory holidays, and maternity leave, the Company provides a range of care activities to effectively enhance employee happiness and sense of belonging.

The Company places great importance on protecting the rights and interests of female employees, strictly adhering to national laws and regulations and implementing various welfare policies, which include ensuring female employees are entitled to paid maternity leave in accordance with the law, during which they can receive government maternity allowances to safeguard their income stability, and implementing multiple care initiatives for them.

Enhancing the Insurance and Medical Benefits System

In 2025, based on employees' commercial insurance claims from the previous year, the Company selected, compared, and completed enrolment for supplementary medical care, supplementary work-related injury, and accidental injury insurance policies, and also organised the provisioning for the 2024 supplementary medical fund to improve the employee medical benefits system and further protect the health and safety of its staff.

Employee Festive Activities and Expressions of Appreciation

To convey organisational warmth, the Company holds celebratory activities or distributes gifts to employees during traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival each year, and also provides personalised care, including birthday gifts and other holiday benefits.

Care for Female Employees

The Company regularly organises special activities such as health lectures for Women's Day and provides physical examination programmes for the 'two cancers' screening, continuously raising the health awareness and self-care capabilities of female employees. In addition, the Company offers daily nursing time and convenient facilities for female employees and nursing mothers, helping them to balance work and family life.

Case: 'Breathe Freely, Delight the Soul'—Suntien Organises a Special Event for Women's Day to Care for the Health of Female Workers

On the afternoon of 7 March, the Company's labor union and female workers' committee organised the 'Action for Female Worker Health—Breathe Freely, Delight the Soul' special event for International Women's Day. The event, which aimed to enhance female employees' health awareness, self-care capabilities, sense of happiness, and sense of belonging, saw enthusiastic participation from many of the Company's female staff. During the event, company leadership extended holiday greetings to all female employees, acknowledged their contributions to both work and family, and emphasised the labor union's focus on the physical and mental health of female workers. A medical expert was invited to explain disease prevention and control knowledge and hold an interactive Q&A session, alongside a hands-on workshop for making handmade moxa-infused massage hammers, allowing female employees to gain health knowledge and practical relaxation tools in an enjoyable way.



Photo from the Women's Day 'Breathe Freely, Delight the Soul' event

Employee Recreational and Sports Activities

The Company actively fosters a rich array of recreational and sports activities for its employees. By organising diverse athletic competitions such as marathons, staff sports days, walking events, and fun sports games for the Spring Festival, as well as themed activities celebrating traditional festival culture, it enriches employees' leisure time in multiple ways. These activities have effectively strengthened team cohesion, enhanced the employees' sense of belonging, and actively created a healthy, harmonious, and vibrant corporate cultural atmosphere.

Case: Caofeidian Company Holds 2025 Staff Sports Day, Building Team Spirit Through Athletic Competition

To enrich employee well-being and foster team cohesion, the Caofeidian Company's labor union meticulously organised a staff sports day. The event featured competitive sports, including badminton, basketball, and tug-of-war, as well as engaging team games like 'Stepping Stones' and 'Synergy Relay', attracting over 120 employees in total.

On the field, the athletes demonstrated a spirit of courageous competition; off the field, the cheers of encouragement from colleagues highlighted a team culture of 'one family, one heart'. This sports day not only provided a platform for employees to showcase their vitality but also strengthened inter-departmental communication through interaction, promoting a positive spirit of 'healthy living, happy working'.



Caofeidian Company staff sports day event

Case: Suntien Holds 'I Run, I'm Happy' Marathon, Uniting the Team with the Spirit of Running

In October, the Company held the 'I Run, I'm Happy' themed marathon in Shijiazhuang, attracting 280 participants, including investors, members of the Group, and staff from affiliated units. Competitors vied intensely amidst the autumn scenery along the Hutuo River, with winners emerging from each category. Coinciding with the 15th anniversary of the Company's listing in Hong Kong, the event deeply integrated the marathon spirit of 'challenging oneself and surpassing limits' with the Company's development philosophy, creating a unique platform for communication across different units and groups. The event effectively boosted team morale, strengthened cohesiveness, and showcased the Company's ambitious and upwardly mobile spirit.



Photo from the 'I Run, I'm happy' marathon event

Community-Friendly Development

Rural Revitalization and Community Engagement

Suntien thoroughly studies and implements the national strategic deployments for rural revitalisation and fully carries out the work requirements for effectively connecting the consolidation and expansion of poverty alleviation achievements with rural revitalisation. Closely focusing on the core responsibility of providing assistance to designated villages, the Company adheres to the main principle of 'guarding the bottom line, pursuing development, and promoting revitalisation'. It concentrates on key tasks such as monitoring to prevent returns to poverty, industrial development, and public services, solidly advancing various support initiatives and fully promoting the sustainable and vibrant development of the assisted villages.

Key initiatives for rural revitalization in 2025



Social Welfare

To actively fulfil its corporate social responsibility, the Company organised employee volunteer activities focused on environmental protection and public welfare during the year, including tree planting and voluntary blood donations. It also continued to advance the construction of its volunteer service system by establishing the Suntien Volunteer Team, encouraging employees to proactively participate in social welfare practices.

As at the end of the reporting period, the Suntien Volunteer Team had 662 volunteers who had contributed a cumulative total of 688 hours of volunteer service. Through practical actions, they responded to societal needs, further enhanced employees' awareness of social responsibility, and continuously created social value.

662

the Suntien Volunteer Team had volunteers

688

 hours

contributed a cumulative total of volunteer service

Case: Green Action Day – Suntien Employees Visit Xiaobi Forest Farm

On the eve of Arbor Day, 11 March 2025, Suntien organised volunteers to visit the Xiaobi Forest Farm in Shijiazhuang for a tree-planting event themed 'Fulfilling Our Tree-Planting Duty to Build a Beautiful China'. The volunteers worked together seamlessly, digging holes, planting saplings, and watering them, ensuring that each newly planted tree took root and added new greenery to the local area. This initiative not only made a tangible contribution to ecological civilisation but also effectively raised employees' environmental awareness and sense of social responsibility.



Suntien employees at the tree-planting site

Case: A Convergence of Compassion – Suntien Employees Give the Gift of Life

In response to the call for public welfare, Suntien organised a voluntary blood donation drive on 19 September 2025, themed 'Blood Sustains Life, Love Warms the World', to support life-saving treatments. This initiative not only provided tangible support to the public healthcare sector but also further strengthened the spirit of dedication among employees. Participants included both long-time 'veteran donors' and first-time 'new recruits', all of whom conveyed warmth through their donations, demonstrating the Company's value of acting for the greater good.



A photo from the blood donation drive

Case: The Suntien Volunteer Team – Long-Term Voluntary Practice in Protecting Biodiversity

To fulfil its corporate environmental responsibilities, Suntien is dedicated to the long-term protection of biodiversity. In March 2025, the Company organised a volunteer environmental protection activity along the Yangtze River called ‘Protecting the Yangtze and Its Clear Green Waters’, during which volunteers collected 3.6 kg of rubbish and protected a 5.6 km stretch of the shoreline, contributing directly to the ecological conservation of the river. As early as 2020, the Company had already established volunteer service bases in two locations in Tangshan City to conduct regular patrols of migratory bird habitats, clean up litter, and install warning signs, creating a safe and clean environment for birds to breed and migrate. Concurrently, the Company has effectively raised public awareness of migratory bird protection by holding continuous educational campaigns, attracting broader social participation in ecological conservation efforts and fostering a positive cycle of corporate action and social mobilisation.

Outlook for 2026

The year 2026 marks the inaugural year of the '15th Five-Year Plan' and a critical period for laying the groundwork for China's new energy system. Meanwhile, the global energy system is transitioning towards a clean, low-carbon, safe, and efficient model, highlighting the dual demands of social carbon reduction and carbon sequestration and energy supply security, which presents opportunities for the development of renewable energy and natural gas businesses. Suntien will continue to focus on its dual core businesses of wind power and natural gas, building on its 2025 ESG achievements. The Company will anchor its efforts in enhancing governance, deepening green initiatives, and fostering shared value to drive the profound transformation of ESG management towards value creation.

In terms of enhancing governance, Suntien will consolidate its standardised and orderly governance model and continue to improve its remuneration, incentive, and talent development systems. The Company will also actively implement the management of double materiality topics, deepen stakeholder communication, and enhance the level of its ESG information disclosure, striving to be a pioneer in sustainable development and solidifying the foundation for the Company's steady growth.

In terms of deepening its green initiatives, Suntien will enhance its refined management of climate risks and resilience building, and will further quantify and analyse the financial impacts of climate change. Leveraging a hierarchical chain of responsibility, the Company will improve its biodiversity conservation system, strengthen resource and waste management, and promote a positive interaction between its business operations and the ecological environment.

In terms of fostering shared value, Suntien will advance energy supply security, industrial collaborative innovation, and social value practices in parallel. The Company will solidify its energy security responsibilities, continuously improve the layout of its natural gas pipeline network, and leverage national pipeline network offtake points to expand into the domestic market. It will also promote the construction of natural gas power generation projects and optimise the complementary layout of multiple clean energy sources to fortify the line of defence for energy supply security. With scientific and technological innovation at its core, Suntien will deepen its innovation strategy, promote the industrialisation of key equipment, accelerate its digital transformation, and drive standard-setting to foster collaborative development across the supply chain. By embracing a people-centric philosophy, Suntien will also optimise its talent management and employee welfare systems and deepen its social responsibility practices to build a harmonious and mutually beneficial ecosystem.

The journey ahead is long and the wind is in our sails; with heavy responsibilities, we set forth once more. At this critical juncture, marking the start of the '15th Five-Year Plan' and the acceleration of building a strong country in energy, Suntien will closely follow the national energy strategy in 2026. With a broader vision, it will plan the development of clean energy and, through more systematic actions, contribute to achieving the carbon peaking target. Suntien will contribute its strength to optimising the energy structure and advancing green development, thereby writing a new chapter in sustainable development.

INDICATOR INDEX

HKEX ESG INDICATOR INDEX

Mandatory Disclosure Requirements		Section Reference	Page Number
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG Management System	P13-14
Reporting Principles	A description or explanation of how the reporting principles are applied in the preparation of the ESG report.	About this Report	P1-2
Reporting Scope	An explanation of the reporting boundaries of the ESG report and a description of the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and the reason for the change.	About this Report	P1-2

Key Areas	Indicator Number	Aspect, General Disclosure and Key Performance Indicators	Section Reference	Page Number
A. Environment				
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and Greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste.	Environmental Compliance Management, Efficient Resource Utilisation and Pollution Prevention	P58-64
	A1.1	Types of emissions and respective emissions data.	Efficient Resource Utilisation and Pollution Prevention	P61-64
	A1.3	Total hazardous waste produced (in tonnes) and, where applicable, intensity (e.g. per unit of production, per facility).	Efficient Resource Utilisation and Pollution Prevention	P61-64
	A1.4	Total non-hazardous waste produced (in tonnes) and, where applicable, intensity (e.g. per unit of production, per facility).	Efficient Resource Utilisation and Pollution Prevention	P61-64
	A1.5	Description of emissions targets set and steps taken to achieve them.	Efficient Resource Utilisation and Pollution Prevention	P61-64
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction targets set and steps taken to achieve them.	Efficient Resource Utilisation and Pollution Prevention	P61-64
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Addressing Climate Change, Environmental Compliance Management, Efficient Use of Resources and Pollution Prevention	P43-64
	A2.1	Total direct and/or indirect energy (such as electricity, gas or oil) consumption by type (in thousands of kilowatt hours) and intensity (e.g., per unit of production, per facility).	Addressing Climate Change	P43-57
	A2.2	Total water consumption and intensity (e.g., per unit of production, per facility).	Efficient Use of Resources and Pollution Prevention	P61-64
	A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Addressing Climate Change	P43-57
	A2.4	Description of any issues in sourcing water that is fit for purpose, and water efficiency targets set and steps taken to achieve them.	Efficient Use of Resources and Pollution Prevention	P61-64
	A2.5	Total packaging material used for finished products (in tonnes) and, where applicable, per unit produced.	Efficient Use of Resources and Pollution Prevention	P61-64

Key Areas	Indicator Number	Aspect, General Disclosure and Key Performance Indicators	Section Reference	Page Number
A3 the Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Addressing Climate Change, Environmental Compliance Management, Efficient Use of Resources and Pollution Prevention	P43-64
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Addressing Climate Change, Environmental Compliance Management, Efficient Use of Resources and Pollution Prevention, Biodiversity Conservation	P43-68
B.Social				
Employment and Labour Practices				
B1 Employment	General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Protection of Employee Rights and Interests	P109-116
	B1.1	Total workforce by gender, employment type (e.g., full-time or part-time), age group and geographical region.	Protection of Employee Rights and Interests	P109-116
	B1.2	Employee turnover rate by gender, age group and geographical region.	Protection of Employee Rights and Interests	P109-116
B2 Health and Safety	General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safety Management and Guarantee	P71-80
	B2.1	Number and rate of work-related fatalities in each of the past three years including the reporting year.	Safety Management and Guarantee	P71-80
	B2.2	Lost days due to work injury.	Safety Management and Guarantee	P71-80
	B2.3	Description of Occupational Health and Safety measures adopted, and how they are implemented and monitored.	Safety Management and Guarantee	P71-80
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Protection of Employee Rights and Interests	P109-116
	B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management, etc.).	Protection of Employee Rights and Interests	P109-116
	B3.2	The average training hours completed per employee by gender and employee category.	Employee Rights Protection	P109-116

Key Areas	Indicator Number	Aspect, General Disclosure and Key Performance Indicators	Section Reference	Page Number
B4 Labour Standards	General Disclosure	Information on: (a) policies relating to preventing child or forced labour; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Rights Protection	P109-116
	B4.1	Description of measures to review recruitment practices to avoid child and forced labour.	Employee Rights Protection	P109-116
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Rights Protection	P109-116
Operational Management				
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain	P104-106
	B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain	P104-106
	B5.2	Description of practices relating to engaging suppliers, the number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Supply Chain	P104-106
	B5.3	Description of practices used to identify environmental and social risks in each link of the supply chain, and the methods for their implementation and monitoring.	Sustainable Supply Chain	P104-106
	B5.4	Description of practices to promote the use of environmentally friendly products and services when selecting suppliers, and the methods for their implementation and monitoring.	Sustainable Supply Chain	P104-106
B6 Product Responsibility	General Disclosure	Information on: (a) policies relating to health and safety, advertising, labelling, privacy matters and remedial methods for products and services provided; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Quality Control and Customer Service, Data Security Management	P84-86, P38-40
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Control and Customer Service	P84-86
	B6.2	Number of complaints received about products and services and how they are dealt with.	Quality Control and Customer Service	P84-86
	B6.3	Description of practices relating to the maintenance and protection of intellectual property (IP).	Quality Control and Customer Service	P84-86
	B6.4	Description of quality assurance processes and product recall procedures.	Quality Control and Customer Service	P84-86
	B6.5	Description of consumer data protection and privacy policies, and the methods for their implementation and monitoring.	Data Security Management	P38-40

Key Areas	Indicator Number	Aspect, General Disclosure and Key Performance Indicators	Section Reference	Page Number
B7 Anti-Corruption	General Disclosure	Information on: (a) policies relating to preventing bribery, extortion, fraud and money laundering; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Integrity and Anti-Corruption Management	P34-37
	B7.1	Number of concluded litigation cases regarding corruption brought against the issuer or its employees during the reporting period and their outcomes.	Integrity and Anti-Corruption Management	P34-37
	B7.2	Description of preventive measures and whistle-blowing procedures, and the methods for their implementation and monitoring.	Integrity and Anti-Corruption Management	P34-37
	B7.3	Description of anti-corruption training provided to directors and employees.	Integrity and Anti-Corruption Management	P34-37
Community				
B8 Community Investment	General Disclosure	Policy on community engagement to understand the needs of the communities in which it operates and to ensure that community interests are taken into account in its business activities.	Community-Friendly Development	P117-119
	B8.1	Focus areas for contribution (e.g. education, environmental matters, labour needs, health, culture, sports).	Community-Friendly Development	P117-119
	B8.2	Resources committed in the focus areas (e.g. money or time).	Community-Friendly Development	P117-119



Key Areas	Aspect, General Disclosures and Key Performance Indicators	Section Index	Page Number
D: Climate Change			
Governance		Addressing Climate Change - Governance	P43
Strategy	Climate-Related Risks and Opportunities	Addressing Climate Change - Strategy	P44-54
	Business Model and Value Chain		
	Strategy and Decision-Making		
	Financial Position, Financial Performance and Cash Flows		
	Climate Resilience		
Risk Management		Addressing Climate Change - Risk Management	P55-56
Metrics and Targets	Greenhouse Gas Emissions	Addressing Climate Change - Metrics and Targets	P57
	Climate-Related Transition Risks	Addressing Climate Change - Strategy	P44-54
	Climate-Related Physical Risks		
	Climate-Related Opportunities		
	Capital Deployment		
	Internal Carbon Pricing	/ ¹	-
	Remuneration	/ ²	-
	Industry Metrics	Not Applicable	-
	Climate-Related Targets	Addressing Climate Change - Metrics and Targets	P57

¹ Suntien has not yet applied carbon pricing in its decision-making.

² Suntien has not yet incorporated climate-related considerations into its remuneration policies.



GRI STANDARDS INDEX

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	2-3 Reporting Period, Frequency and Contact Point	About this Report	P1-2
	2-4 Restatements of Information	About this Report	P1-2
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	2-7 Employees	Employee Rights and Interests Protection	P109-116
	2-8 Workers Who are Not Employees	Safety Management and Guarantee	P71-80
	2-9 Governance Structure and Composition	Corporate Governance	P21-26
	2-10 Nomination and Selection of the Highest Governance Body	Corporate Governance	P21-26
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Glossary of Climate Risks

Risk Type	Risk Name	Assessment Indicators and Their Definitions
Acute Risk	Tropical Cyclone	Cyclone frequency: the probability of a location being struck by a tropical cyclone in a given year.
	Landslide	Landslide frequency: the number of landslide disasters occurring in a specific location in a given year.
	Extreme Precipitation	Rainstorm intensity: the probability that precipitation in a specific location within a certain period exceeds the threshold for a hazardous rainstorm.
	Extreme Heat	Heatwave intensity: the frequency and duration of events in which the summer temperature in a specific location exceeds its normal level.
	River and Coastal Flooding	Flood inundation depth: the depth of inundation from river and coastal flooding in a specific location within a certain period.
Chronic Risks	Wind Resource Availability	Average daily wind speed: the average daily wind speed in a specific location over a certain period.
	Low-Temperature Risk	Number of low-temperature days: the number of days with low temperatures in a specific location over a certain period.
	Sea-Level Rise	Sea-level rise trend: the trend of the coastline extending inland in a specific location over a certain period due to sea-level rise.
	Warming Trend	Number of warming days: the number of days in a specific location over a certain period during which the temperature is consistently higher than the historical average for the same period.
	Water Scarcity	Runoff depth: the depth of surface water and groundwater runoff over a certain period.

Reader Feedback

Thank you for reading the China Suntien Green Energy Corporation Limited 2025 Sustainability and Environmental, Social and Governance Report. To provide you and other stakeholders with more valuable information and to help Suntien enhance its ESG management capabilities and standards, the Company sincerely welcomes your comments and suggestions on this report. You may return the completed questionnaire to us by post, by scanned email, or by fax. You may also provide your valuable feedback directly by telephone. Thank you!

1. To which stakeholder category of Suntien does your organisation belong?

- ☐ Shareholder ☐ Employee ☐ Supplier
☐ Customer ☐ Government ☐ Community
☐ Financial institution ☐ Non-profit organisation/Industry association
☐ Other (please specify) _____

2. Do you believe this report fully reflects Suntien's performance in environmental, social, and governance aspects?

- ☐ Yes ☐ Average ☐ No

3. Do you believe this report comprehensively responds to the expectations and requirements of Suntien's stakeholders?

- ☐ Yes ☐ Average ☐ No

4. Do you believe the quantitative information disclosed in this report is objective, accurate, and valid?

- ☐ Yes ☐ Average ☐ No

5. How would you rate the completeness of the information in this report?

- ☐ 3 Points (Good) ☐ 2 Points (Average) ☐ 1 Point (Poor)

6. What information would you like to see that was not disclosed in this report?

7. What other comments or suggestions do you have for Suntien's ESG management work and ESG Report?

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